

# Handbook for Chapter 13 Standing Trustees

---

*September 1991*



U.S. Department of Justice  
Executive Office for United States Trustees

---

---

---

# **Handbook for Chapter 13 Standing Trustees**

---

---

*September 1991*

## PREFACE

The United States Trustee System was created by Congress as an agency in the Department of Justice to appoint and supervise private trustees and the administration of bankruptcy cases.

The Department is committed to the present system of private trustees and to their receiving adequate compensation for the essential work they do on behalf of our Nation's bankruptcy system. The United States Trustee System is also committed to achieving the highest standards of fiduciary responsibility, to protecting the funds and assets entrusted to trustees, and to the expeditious handling and closing of cases with prompt payment to creditors and trustees.

The handbook that follows presents a statement of policy and is intended as a working guide for all Chapter 13 Standing Trustees under United States Trustee supervision. The policy set forth in this second revised edition supercedes that contained in the revised Handbook for Chapter 13 Standing Trustees issued October 1990.

Financial accountability is the cornerstone of the mandate placed upon the United States Trustee System by Congress. The reporting requirements set forth in this handbook, if conscientiously followed will result in a uniform and systematic review of the financial administration of Chapter 13 cases for both Chapter 13 Standing Trustees and the United States Trustees.

Your services in Chapter 13 cases are essential and appreciated.

## ACKNOWLEDGEMENTS

Many individuals provided invaluable assistance during the writing of this handbook, particularly the members of the Standing Trustee Subcommittee of the Advisory Committee of United States Trustees. Although it is not possible to recognize all of the persons to whom thanks are due, acknowledgement for providing assistance to this edition is gratefully given to Wesley B. Huisinga, United States Trustee, Region 12; John R. Stonitsch, United States Trustee, Region 13; E. Franklin Childress, United States Trustee, Region 8; Robert L. Coley, United States Trustee, Region 21; William P. Baity, United States Trustee, Region 5; and Albert T. Annillo, Assistant Director, Office of Review and Oversight for the Executive Office for United States Trustees.

It is hoped that this work overall will contribute to the advancement of understanding and competence in the Chapter 13 Standing Trustees' administration of their cases,

JOHN E. LOGAN  
Director, Executive Office for  
United States Trustees

**CHAPTER 13**  
**STANDING TRUSTEE HANDBOOK**

**TABLE OF CONTENTS**

APPOINTMENT AND REQUIREMENTS .....	1
DUTIES OF THE CHAPTER 13 TRUSTEE .....	2
DEBTORS' PAYMENTS .....	3
DUTY TO FILE TAX RETURNS .....	3
FINANCIAL INTERESTS .....	3
CONFLICT OF INTEREST .....	4
SOLICITATION OF GRATUITIES, GIFTS, OR OTHER REMUNERATION OR THING OF VALUE . . . . .	4
INSURANCE .....	5
ADVERTISING .....	5
ACCOUNTABILITY .....	5
INVENTORY .....	6
BONDING .....	7
CASH DEPOSITORIES .....	8
ACCOUNTS AND INVESTMENT POLICIES .....	9
PAYMENTS .....	12
EXPENSES .....	13
PAYMENT OF TRUSTEE COMPENSATION/BENEFITS .....	17
ERRORS AND OMISSIONS INSURANCE/MISDISBURSED FUNDS .....	19
OPERATING RESERVE/SURPLUS EXPENSE FUNDS .....	20
PERMISSIBLE CHARGES BY STANDING TRUSTEES .....	21
BUDGETS .....	23
CALCULATION OF PERCENTAGE FEE .....	24
ADJUSTMENT TO PERCENTAGE FEE .....	26
CHAPTER 13 TRUSTEE REPORTS .....	27
341 MEETING REPORTS .....	27
FINAL REPORT .....	27
MONTHLY REPORTS .....	28
ANNUAL REPORT .....	28
TRUSTEES' REPORTS TO DEBTORS .....	29
AUDIT AND AUDIT CONTROLS .....	29
RETENTION OF RECORDS .....	34
DISPOSABLE INCOME .....	36
APPENDIX A (28 C.F.R PART 58) .....	37
APPENDIX B (CERTIFICATION) .....	40
APPENDIX C (SAMPLE CASH RECEIPTS & DISBURSEMENTS JOURNAL) .....	41
APPENDIX D (SAMPLE INDIVIDUAL CASE CASH RECEIPTS AND DISBURSEMENTS LEDGER) .....	43
APPENDIX E (SAMPLE STANDING TRUSTEE GENERAL LEDGER .....	44

APPENDIX F (CHAPTER 13 ANNUAL BUDGET & INSTRUCTIONS) .....	45
APPENDIX G (31 U.S.C. SECTION 9303) .....	66
APPENDIX H (28 U.S.C. SECTION 586) .....	68
APPENDIX I (CHAPTER 13 ANNUAL REPORT & INSTRUCTIONS) .....	72
APPENDIX J (SAMPLE MONTHLY REPORTS) .....	102
APPENDIX K (SAMPLE TRUSTEE REPORT TO DEBTORS) .....	105

## **CHAPTER 13**

### **STANDING TRUSTEE HANDBOOK**

This handbook explains the operating standards required by the Executive Office for United States Trustees (Executive Office). Individual United States Trustees may - in light of circumstances existing in their districts -- impose more stringent requirements.

**APPOINTMENT AND REQUIREMENTS:** The United States Trustee appoints one or more individuals as chapter 13 standing trustee (hereinafter "trustee") in a judicial district if the number of chapter 13 cases commenced there warrants the appointment. The appointment process by the United States Trustee will include, but is not limited to, advertising for the most competent individual in a publication of wide and public circulation. All appointments or removals are subject to the approval of the Director of the Executive Office, as delegate of the Attorney General.

Each candidate for appointment must complete an application, Form SF-86 (Security Investigation Data), Form DOJ-488 (Tax Check Waiver) and Form FD-258 (Fingerprint Card). Trustees must meet the qualifications set out in 28 C.F.R. section 58.2-5 and appointments are made on a non-discriminatory basis, as provided in 28 C.F.R. section 58.5 (see Appendix A). Trustee employment practices must also be non-discriminatory to the same extent as provided in 28 C.F.R. section 58.5, and all prospective employees should be so advised by the trustee.

It is the policy of this program that the total number of pending cases to be administered by any one standing trustee should not usually exceed 9,000. If this number is exceeded in any fiscal year in any district with only one standing trustee, the United States Trustee may, with the approval of the Director, appoint an additional standing trustee. Over time, the case loads of the two trustees should be balanced, but this should be done without substantial disruption to the office of the senior trustee.

**DUTIES OF THE STANDING CHAPTER 13 TRUSTEE:** The duties of a trustee are set forth in section 1302 of the Bankruptcy Code (all citations to sections that follow are to sections of the Bankruptcy Code unless otherwise specified) but, as a threshold matter, the trustee should determine from the petition whether the debtor is eligible for chapter 13 relief. If the debtor is not, the court may be deprived of jurisdiction and the trustee would be without authority to administer the case. The trustee must personally preside at the section 341 meeting, unless another qualified individual is approved in writing by the United States Trustee, and should appear and be heard at hearings on valuation, confirmation, modification of plan, and sale of property. The trustee must review the budget and other financial reports transmitted to the trustee by chapter 13 debtors. In addition, the United States Trustee may require the trustee to submit a report of the section 341(a) meeting and a final report to the United States Trustee on each chapter 13 case. The trustee must prepare an annual budget request and an annual report which will be subject to audit.



**DEBTORS' PAYMENTS:** The trustee must file objections to the debtor's plan, if the debtor proposes to make a payment directly to a creditor on an impaired claim rather than through the trustee, whether or not a fee is to be paid to the trustee. If such a plan is confirmed over the objection of the trustee, the trustee must immediately notify the United States Trustee.

**DUTY TO FILE TAX RETURNS:** Sections 6012(b) (4) and 1398(a) of the Internal Revenue Code do not apply to estates or individuals under chapter 13 of the Bankruptcy Code. In addition, the chapter 13 estate is not subject to the separate entity rules and section 1398. Consequently, it is clearly the responsibility and duty of the chapter 13 debtor and not that of the trustee to prepare and file tax returns.

As to any tax returns for the standing trustee individually or for any of the accounts maintained as standing trustee, it is strongly urged that a tax accountant or attorney be consulted.

**FINANCIAL INTERESTS:** Trustees may not have any financial interest in any business providing debt counseling, consolidation, extension, or proration services, or perform any duties for any such business whether with or without compensation. No charge may be made for cashing a debtor's check, nor may trustees operate a check-cashing business as a function of the office of the standing trustee, whether on the same premises or elsewhere.

**CONFLICT OF INTEREST:** If any person related by affinity or consanguinity within the degree of first cousin to the trustee has or acquires a financial or other interest in a business providing debt counseling, consolidation, extension, or proration services in the commercial area served by the trustee, the trustee must notify the United States Trustee. The United States Trustee, in consultation with the Director, will determine whether a conflict of interest exists, or whether an appearance of impropriety is created to such an extent as to impair the functioning and responsibility of the trustee.

A trustee who maintains any interest in any real estate, appraisal, or auction company, shall not provide any of such services to an entity that is a party in interest in any chapter 13 case assigned to that trustee. The trustee shall not represent any individual, partnership, or corporation that is a party in interest in any chapter 13 case under the trustee's supervision.

**SOLICITATION OF GRATUITIES, GIFTS, OR OTHER REMUNERATION OR THING OF VALUE:** Neither a trustee nor any employee of the trustee's office may solicit or accept any gratuity, gift, or other remuneration or thing of value from any person, if it is intended or offered to influence the official actions of the trustees in the performance of their duties and responsibilities. A certification to this effect must be signed by the trustee and the employees in the office of the trustee, and a copy provided to the United States Trustee on an annual basis. (See Appendix B).

**INSURANCE:** Trustees may not act as agents for insurance companies on any sale of insurance to chapter 13 debtors, nor make any claim for commissions on any premiums paid to an insurance company by chapter 13 debtors. This restriction extends to any person related by affinity or consanguinity within the degree of first cousin to the trustee.

**ADVERTISING:** The trustee may not advertise in newspapers or other public information media, or take any other action that could reasonably be interpreted as encouraging debtors to file petitions under chapter 13 of the Bankruptcy Code.

Subject to the approval and guidance of the United States Trustee, a trustee may disseminate information to interested persons about chapter 13, and may participate in meetings, educational seminars, or institutes concerning chapter 13.

**ACCOUNTABILITY:** Trustees are to maintain accounting records in conformity with such rules and regulations as the Executive Office for the United States Trustees may require. These accounting records must reflect all payments received and disbursed under plans, other revenues, and all expenses and compensation paid. In addition, trustees are to submit to the United States Trustee reports that provide for uniform and systematic review of their financial administration of chapter 13 cases.

Trustees must establish a system of internal controls that ensures the accuracy of the accounting records, and the safeguarding of accounting records, funds, and other assets. At a minimum, the trustee must establish and maintain the following accounting records:

1. Cash Receipts and Disbursements Journal (see sample at Appendix C), except trustees with annual receipts of \$250,000 or less who may maintain a separate trust account for each case.
2. Individual Case Cash Receipts and Disbursements Ledger (see sample at Appendix D).
3. General Ledger (see sample at Appendix E).

The Individual Case Cash Receipts and Disbursements Ledger should show the date payments are due, as well as the date payments are received, in order to monitor the debtor's performance under the plan.

**INVENTORY:** Trustees must provide at least annually a listing of the physical assets that are the exclusive property of the office of the trustee. The list must include each asset and its cost, and be updated on an annual basis.

The trustee must obtain approval from the United States Trustee prior to purchasing any equipment, fixtures, furniture and other fixed assets with a value in excess of \$1,000, or entering into any lease or lease/purchase agreement with rental in excess of \$1,000 monthly, or such lower amount as the United States Trustee may specify, unless approval was previously obtained incident to the submission of the trustee's annual proposed budget. In other words, purchases of capital assets or monthly lease obligations in excess of \$1,000 to be funded from the trustee's expense account must receive prior written United States Trustee approval if not previously approved as part of the current year's budget. All capital expenditures, regardless of

amount, to be funded from the surplus reserve carried forward from a prior year must receive prior written United States Trustee approval prior to the end of the current fiscal year.

All fixed assets purchased with funds from the trustee's expense account or surplus reserve is property of the office of the trustee. This property will be transferred from the incumbent trustee to any successor trustee at the time prescribed by the United States Trustee and at no cost to the successor trustee.

The trustee must maintain adequate insurance on the physical assets that are property of the office of the trustee, as well as liability and workmen's compensation insurance.

**BONDING:** The minimum bond for a Chapter 13 trustee is 150% of the average monthly bank balances for the prior three months (balances per banks, not per books for all trust and expense accounts). At a minimum, a quarterly review of the bond amount must be performed and adjustments should be made at that time, based on significant increases or decreases in actual and projected receipts. The bond amount may not be decreased from amount set without the approval of the United States Trustee. If the trustee has invested funds in certificates of deposit or other forms of permissible investments, the amount of the bond will not be computed to include those invested funds, provided that; (1) the United States Trustee's counter-signature is required for the withdrawal of those funds, and (2) a separate written agreement has been provided by the depository institution that the invested funds are not subject to offset.

Employees of the trustee who have access to receipts or disbursements of cash or negotiable instruments, or to the financial records of the office, must be covered under the trustee bond, or covered by a separate employee fidelity or honesty bond. The amount of the employee bond is to be in the sum determined to be appropriate in writing by the United States Trustee. The trustee shall maintain a copy of the United States Trustee's employee bond authorization in the trustee's files. The amount of the employee bond as approved by the United States Trustee should be determined based on a risk assessment of the individual standing trustee's operation.

**CASH DEPOSITORIES:** All payments under plans are to be deposited immediately upon receipt in trustee accounts in a depository insured by the Federal Deposit Insurance Corporation (FDIC).

If the aggregate of funds held by the trustee is on deposit in a single depository and these funds together with any interest income exceed the \$100,000 amount insured by the FDIC, the depository must be bonded or must deposit securities for the excess over \$100,000. This may be done by a specific bond or a deposit with the Federal Reserve Bank of securities of the kind specified in 31 U.S.C. section 9303 (see Appendix G), in the amount by which the aggregate of all account balances exceed FDIC insurance limits. When the securities are deposited, a copy of the Federal Reserve document evidencing the deposit must be sent to the United States Trustee. The United States Trustee is the "bond approving officer" who is responsible for approving any bond provided or securities pledged. If the trust accounts and the

expense account are maintained in the same depository, the amounts in those accounts must be treated as one account for purposes of insurance coverage.

Trustees are required to maintain all bank statements and/or other documentation as to deposits and interest income, and to make arrangements with the depository to permit the United States Trustee, at any time, to examine or obtain copies of the depository's records of the trustee's deposits and withdrawals.

Any depository in which the trustee maintains chapter 13 funds is to be directed by the trustee to provide the United States Trustee with an affidavit detailing any personal financial relationship with the trustee and, if such a relationship exists, a statement that the trustee does not receive any preferential treatment.

**ACCOUNTS AND INVESTMENT POLICIES:** All trustees are to maintain at least three accounts, a pre-confirmation trust account, a post-confirmation trust account (trustees with receipts of less than \$250,000 may maintain a separate trust account for each case) and an expense trust account.

Following is a description of the separate accounts;

- 1) A pre-confirmation trust account, either interest bearing or not, for the deposit of pre-confirmation payments. Upon confirmation of a plan, the debtor's pre-confirmation deposit is to be transferred to the post-confirmation trust account and any interest earned on the deposit to the expense trust account. If the case is dismissed prior to confirmation, the deposit and any interest earned will be refunded to the debtor after

deducting any section 503(b) award. The percentage fee and any section 503(b) award to the trustee are to be transferred to the expense trust account after all other section 503(b) awards have been paid. If interest of \$10 or more is earned on the deposit, the required Form 1099 reporting the exact interest earned will have to be furnished to the Internal Revenue Service and to the debtor. The United States Trustee may provide written authorization to a trustee to maintain a pre-confirmation trust account as a separate account within the post-confirmation account if the United States Trustee has determined that the trustee's accounts reflect the pre-confirmation deposits separately, credit the interest earned to the appropriate deposit, prevent the transfer of accrued interest to the expense trust account before the plan is confirmed and that, in the event the case is dismissed prior to confirmation, the trustee will be able to compute and pay over to the debtor the exact amount of interest earned and issue a Form 1099 whenever required.

- 2) A post-confirmation trust account for payments received by the trustee under confirmed plans. All deposits made prior to plan confirmation are to be transferred to this account as soon as the order of confirmation has been entered. This account is to be used to make all disbursements of the percentage fee to the expense trust account. Interest earned on the funds in this account must be transferred to the expense trust account monthly. The Cash Receipts and Disbursements Journal maintained by the standing trustee must reflect every transaction made in the account,



including all receipts, refunds, payments, investments, and interest earned.

- 3) An expense account for the deposit of amounts paid from the trust account including the percentage fee fixed for the trustee, interest income and awards to the trustee under section 503(b), and for the disbursement of amounts payable for actual and necessary expenses of administration, trustee's compensation/benefits, and payments to the United States Trustee under 28 U.S.C. section 586(e)(2). Under no circumstances should a trustee deposit the percentage fee into any account other than the expense account. The purpose of the expense account is to identify clearly all actual and necessary expenses of the trustee paid out of the percentage fee and section 503(b) awards. Expenses for other purposes, or for any portion of general office expenses unrelated to the administration of the trustee's chapter 13 cases, may not be paid out of the expense account.
- 4) Such additional accounts as the United States Trustee deems necessary under exceptional circumstances.

Trustees are directed:

- 1) to invest all funds not needed for immediate disbursements in interest bearing accounts or certificates of deposit insured by the FDIC or, upon United States Trustee approval, in obligations of the United States (pre-confirmation trust account funds may or may not be interest bearing);

- 2) not to invest in repurchase agreements (repo's) or reverse repo's since they are not insured by the FDIC; or in non- bank money market accounts or commercial paper since the latter are not investments authorized under 11 U.S.C. section 345;
- 3) not to make any investments that would delay disbursements under confirmed plans in violation of the trustee's duty to make timely payments to creditors.

**PAYMENTS.** Payments received by the trustee prior to the entry of an order confirming the debtor's plan must be separately identified in the Cash Receipts and Disbursements Journal, Individual Case Cash Receipts and Disbursement Ledger, and the General Ledger.

If confirmation does not occur and the case is dismissed, the payments are to be returned promptly to the debtor, unless the court orders otherwise. If the court makes a section 503(b) award to the trustee under section 1326 (a)(2), that award should be transferred to the trustee's expense account.

Once a plan is confirmed, payments to creditors must be made at least monthly, unless Bankruptcy Rule 3010(b) is applicable, or the confirmed plan provides otherwise. A request to make quarterly disbursements may be submitted in writing, and authorized in writing by the United States Trustee, where appropriate, for standing trustees with small case loads.

If the case is converted to a chapter 7, undistributed funds should be disbursed only pursuant to court order or rule.

**EXPENSES:** Reasonable, actual and necessary administrative expenses of the trustee are to be supported by proper documentation, and property records are to be maintained for depreciable assets purchased. The following is a brief description of administrative expenses recognized by the Executive Office as being actual and necessary:

**Employee Salaries and Benefits:** Regular salaries and wages, including bonuses paid directly to employees and amounts withheld for employees' share, and including amounts paid for employer's share of retirement and insurance contributions, taxes, etc. Employee salary and benefits will be reviewed and monitored to ensure they are commensurate with services performed, but shall not exceed the limitations in 28 U.S.C. 586(e). No employee of a Chapter 13 trustee may receive compensation and benefits of a value greater than the maximum allowable statutory compensation for a chapter 13 trustee.

Each Chapter 13 trustee must have a written position description for each employee. These position descriptions should itemize all duties performed by each employee with sufficient clarity and detail that the positions described can be graded for purposes of determining salary, benefits, and promotion. The position description or descriptions must accompany the yearly budget when submitted.

Should the trustee wish to increase the compensation and benefits of an employee during any twelve month period, the trustee shall provide the United States Trustee with an appropriate amendment to his/her budget, including a written justification for the increase. The applicable position description must accompany the amended budget.

**Rent and Utilities:** Charges for rental of office space, including conference rooms, garage space, and storage space; charges for utilities should include the service of heat, water, gas, and electricity to the extent they are not included in the rental charge.

**Bookkeeping/Accounting Services:** Charges incurred for services obtained on outside contracts, including all bookkeeping and accounting charges necessary for the operation of the trustee office, including charges for preparation of payroll, payroll taxes, annual reports, and reconciliation of bank accounts.

**Computer Services:** Charges for services for the development and modification of software systems, data preparation and conversion (keying: data coding, key- to-tape, key-to-disk, and card-to-tape), consulting, and research and development, including initial processing fees charged by a computer firm.

**NOTE:** The Executive Office makes no recommendation as to the utilization of any computer firm, as long as all requirements contained herein are met.

**Audit Services:** Charges incurred for services of any independent auditing firm selected by the Executive Office.

**Consulting Services:** Charges incurred under contract with individuals for services by attorneys, accountants, and for automated data processing consulting. Approval by the United States Trustee is required prior to the employment or retention of an attorney.

**Telephone:** Charges for local phone service, long distance service, switchboards, and installation of telephone equipment.

**Postage and Mailing:** All postal charges and rental of post office boxes, mailing machines, and postage meters.

**Office Supplies:** Charges incurred for consumable supplies and other property of little monetary value.

**Bond Premiums:** Fees for premiums on surety bonds, including any premiums paid on behalf of an employee.

**Clerk Fees:** Do not include any filing fees or other court costs that are provided to be paid under the plan or pursuant to section 1326(a)(2).

**Dues to Professional Organizations:** Charges for membership in professional organizations in connection with the duties of the trustee. However, professional licensing fees and/or association dues required for the trustee to engage in the practice of his/her profession are not an approved expenditure.

**Publications.** Charges for subscriptions to and copies of journals and periodicals, and for books and directories as pertinent to the duties of the trustee.

**Insurance other than Employee Benefits:** Charges for premises liability insurance for the office of the trustee and automobile insurance, if said automobile is owned or leased by the office of the trustee upon authorization by the United States Trustee. (For a discussion of errors and omissions insurance, see page 19 of this handbook.)

**Conference Expenses:** Charges for training and tuition, including charges for conference registration, textbooks and supplies, airfare, mileage, meals, lodging, and other costs incurred as related to approved travel in connection with training activities associated with the duties of the trustee and employees of the trustee. Travel expenses for NACTT Liaison Committee members, and other members of the NACTT for attendance at committee meetings, board meetings, and executive meetings is not an allowable expenditure from trustee's expense funds unless such meetings are with and at the request of the Executive Office for United States Trustees or held in conjunction with the Annual NACTT National Conference.

**Maintenance:** Charges incurred for the repair and maintenance of the office suite and office equipment, including all office machines and furnishings, and including charges for custodial services when not included in the basic lease agreement.

**Photo Services and Transcripts.** Charges incurred for photo copying, printing and purchase of transcripts and court reporting services necessary for the administration of Chapter 13 cases.

**Travel:** Charges incurred for official travel necessary for the administration of Chapter 13 cases including airfare, mileage, meals, lodging and other costs incurred as related to official travel.

**Equipment/Furniture Rental:** Charges for the use of equipment owned by another, including copying machines, audio and visual aid equipment, rental of computer systems and software, printers, desks, tables, chairs, typewriters, calculators/bookkeeping machines, and file cabinets, if total rental charges incurred over the life of the lease aggregate no more than the total purchase price of comparable equipment or furniture.

**Equipment/Furniture Purchase:** Charges for purchase of equipment and furniture, fittings, and fixtures; including desks, tables, chairs, file cabinets, typewriters, calculators, computers, including software and hardware, and any charges for services in connection with initial installation when performed under contract.

**Leasehold Improvements.** Charges incurred for space adjustments (including partitioning), alterations, and improvements to building or office suite, as previously approved by the United States Trustee.

**PAYMENT OF TRUSTEE COMPENSATION.** Pursuant to 28 U.S.C. §586(e) the Attorney General shall fix a maximum annual compensation consisting of an amount not to exceed the annual rate of basic pay in effect for Level V of the Executive

Schedule and the cash value of employment benefits comparable to the benefits provided by the United States to individuals who are employed at the same rate of basic pay. This maximum annual compensation, including benefits as a percentage thereof, will be fixed on an annual basis after submission and approval of the standing trustee's budget.

The actual maximum allowable compensation pursuant to 28 U.S.C. §586(e), as amended, is the lesser of:

Maximum compensation, inclusive of benefits, as fixed by the Attorney General, or

5% of payments to be received under plans [28 U.S.C. §586(E)(2)(a)], or Funds available for compensation [excluding prior year's surplus].

28 U.S.C. §586(e), as amended, does not specify the type of actual benefits which may be allowed to standing trustees. Rather, the statute provides that the Attorney General shall fix a maximum, annual compensation including the cash value of employment benefits. Therefore, the benefit allowance being part of the maximum annual compensation, may be paid to the trustee in the form of cash, and need not be related to, or in payment of actual benefits specified by the standing trustee in his/her budget submission.

The maximum annual compensation of a standing trustee, including the benefit cash allowance, for a particular fiscal year will continue to be arrived at by a pro-ration of the salary benefit level fixed for each portion of the fiscal year. A trustee must pay all approved actual and necessary expenses before a trustee can receive compensation/benefits. While unpaid expenses may be carried over to the next year, unpaid



compensation/benefits may not. Whereas 28 U.S.C. §586(e), as amended, defines the cash benefit allowance as part of the trustees maximum annual compensation, the benefit allowance is separate and apart from the trustee's expenses. Therefore, no portion of the trustee's operating reserve/surplus expense funds carried forward from the prior year may be utilized to pay the trustee's compensation/benefits. The annual compensation, including the cash value of benefits, can only be paid pro-rata on a monthly basis throughout the year and may not be paid in advance.

**ERRORS AND OMISSIONS INSURANCE/MISDISBURSED FUNDS:** Trustees who are receiving the maximum compensation as authorized under 28 U.S.C. section 586(e) may pay for uncollectible misdisbursements from the trustee's expense account and retained surplus funds after receiving prior approval from the respective United States Trustee. This remedy is in lieu of the purchase of an errors and omissions insurance policy based on an analysis of standing trustee loss history versus proposed policy costs and coverage.

Trustees who are receiving compensation less than the maximum allowed under 28 U.S.C. section 586(e) may purchase an errors and omissions insurance policy. The premium and any deductibles for claims under the policy may be paid from the trustee's expense account funds. If the standing trustee chooses not to purchase a policy, he may pay a claim for uncollectible misdisbursements from the trustee's expense account to the extent funds are available and further provided that prior written approval of the United States Trustee was first obtained, but not otherwise.

United States Trustee approval for the payment of these claims requires a

consideration as to the diligence and timeliness of the standing trustee's efforts and his ability to otherwise recover misdisbursed funds. The standing trustee shall provide his respective United States Trustee with a detailed request for approval to pay any such claim.

This guideline is limited to the payment of claims arising solely from errors and omissions relating to misdisbursed funds.

**OPERATING RESERVE/SURPLUS EXPENSE FUNDS:** Standing trustees may annually retain surplus funds in the amount of twenty five percent (25%) of the authorized actual and necessary expenses for the current year without regard to any aggregate dollar amount limitation. This reserve may only be reduced by capital expenditures, the payment of claims resulting from misdisbursements previously approved in writing by the United States Trustee, and/or for such emergency use as more particularly defined below which must first be approved by the United States Trustee. The purpose of this reserve is to make the necessary funds available for the payment of expenses during the beginning months of the new year. Therefore, to the extent the reserve is not reduced by approved capital expenditures, claims for misdisbursements, and/or emergency use, the reserve must be replenished prior to September 30th, the end of the fiscal year for chapter 13 standing trustees.

Surplus funds in excess of the twenty-five percent (25%) reserve may be retained for payment of approved actual and necessary expenses in the subsequent year only if this results in the fixing of a reduced percentage fee for the subsequent year.

Otherwise, such surplus must be paid pursuant to 28 U.S.C. section 586(e)(2). Unpaid compensation for a prior year may not be recovered from surplus. In other words, a subsequent surplus may not be applied to reinstate any part of the compensation to which a standing trustee was entitled for the prior year under 28 U.S.C. section 586(e) but did not receive because his actual, necessary expenses incurred (and paid either from the percentage fee or out of pocket) effectively reduced his actual compensation from the percentage fee below the permissible level.

If a chapter 13 trustee's case load does not support previously approved expenses then the standing trustee shall be permitted, upon prior written approval of the United States Trustee, to utilize reserve or surplus funds to meet the necessary and reasonable expenses to operate the office of the trustee as authorized on the trustee's annual budget, previously approved by the United States Trustee. The changed conditions which resulted in the approved expenditure of surplus funds shall be reflected in the trustee's next fiscal year budget.

#### **PERMISSIBLE CHARGES BY STANDING TRUSTEES TO DEBTORS AND CREDITORS:**

**Noticing Fees:** The Executive Office for United States Trustees has no objection to standing trustees being reimbursed for providing section 341(a) notices or other notices. Further, the Executive Office for United States Trustees would have no objection should the Court approve a charge for postage, since the standing trustee, unlike the Clerk, has no franking privilege. The \$.50 per notice charge by the Clerk is pursuant to the Judicial Conference Schedule

of Fees promulgated under section 1930 of Title 28. Since there is no like statutory provision for standing trustees to charge the debtor for noticing creditors in an individual case, the trustee must obtain an order from the Court allowing the charge. In the absence of such an order, the cost of noticing can only be paid from the trustee's expense account as a necessary expense of administration. It is the position of the Executive Office for United States Trustees that standing trustees must apply to the Court for an order prior to assessing the debtor for any fee other than the percentage fee fixed under 28 U.S.C. section 586(e). The order will have to be entered in each case unless the Court is willing to enter a standing order for all cases in which the standing trustee is providing notices pursuant to Bankruptcy Rule 2002(a).

**Charges for Creditor Inquiries:** Whereas 11 U.S.C. sections 704 and 1302 require a standing trustee to furnish such information concerning the estate and the estate's administration as requested by a party in interest, separate charges by a trustee for creditor inquiries are not allowable. The assessment of such charges are not provided for by statute and the cost of performing this statutory duty cannot be paid for by assessment separate from the percentage fee fixed under 28 U.S.C. section 586(e). Should a standing trustee determine that the performance of this statutory function requires additional staff, a written request with justification should be presented to their United States Trustee. It is the position of the Executive Office for United States Trustees that a request for additional personnel to assist the standing trustee in the

performance of his statutory duties should be approved should the circumstances warrant and if there are expense funds available to fund such additional position(s).

**BUDGETS:** Trustees must maintain an accounting system that will provide, at a minimum, the budget data required for fixing their percentage fees and annual compensation. The data is to be provided to the United States Trustee by August 1 of each year for review by the United States Trustee prior to submission of the data and recommendation of the appropriate fee and compensation to the Director by August 31 of each year.

No percentage fees or annual compensation will be authorized in the absence of sufficient supporting data.

Separate reports are required to cover the trustee's administrative expenses, personnel expenses, allocated expenses (including the basis for the allocations, including any chapter 12 activities), and workload exhibit (see Appendix F). Percentage fees and compensation authorized on the basis of data provided by the trustee can be adjusted during the fiscal year. The trustee must review the trustee's budget periodically and any substantial deviation from the original budgeted expenses must be approved by the United States Trustee (for example, hiring additional staff, etc). Requests during the fiscal year for amended orders fixing compensation and percentage fees must be supported by an amended budget and be approved by the United States Trustee.

**CALCULATION OF PERCENTAGE FEE:** The trustees' percentage fees are fixed by the Director of the Executive Office for United States Trustees by delegation from the Attorney General, after consultation with the United States Trustee for the district in which the trustee serves, pursuant to 28 U.S.C. Section 586(e). The trustee has no authority to negotiate a percentage fee other than that fixed by order of the Director. Percentage fees are calculated on all payments received by the trustee under plans. If the plan provides for payment of sums certain on any claims, payments under the plan will have to be computed so that the payment less the standing trustee's percentage fee is sufficient to pay the sums certain. The debtor can be advised that this computation can be made by dividing the total amount that is needed under the plan for payment on claims, not including the trustee's fee, by the number derived from subtracting the trustee's percentage fee from 100%. For instance, assuming that all payments to be made total \$10,000 and the standing trustee's percentage fee is fixed at 5%, the number to be used is 100% minus the 5% or 95%. Dividing \$10,000 by .95 results in a total payment of \$10,526.32. The trustee's fee of 5% on the \$10,526.32 payment is \$526.32, leaving the \$10,000, 95% of the payment, available to make distributions required under the plan. The same computation can be made to account for any percentage fee fixed for the standing trustee. For example, still assuming that \$10,000 is required to make all plan payments on claims, excluding the trustee's fee:

	<u>Total Payment to Trustee</u>
(A) \$10,000.00 divided by .90 =	\$11,111.11
(B) \$10,000.00 divided by .91 =	\$10,989.01
(C) \$10,000.00 divided by .92 =	\$10,869.57
(D) \$10,000.00 divided by .93 =	\$10,752.69

In (A) the trustee's 10% fee is \$1,111.11 and the remaining 90% needed to pay all other claims is \$10,000.

In (B) the trustee's 9% fee is \$989.01 and the remaining 91% needed to pay all other claims is \$10,000.

In (C) the trustee's 8% fee is \$869.57 and the remaining 92% needed to pay all other claims is \$10,000.

In (D) the trustee's 7% fee is \$752.69 and the remaining 93% needed to pay all other claims is \$10,000.

Percentage fees are to be paid to the trustee's expense account at the time of disbursements under the plan and not at the time of receipt of the payments by the trustee, except for payments of section 503(b) awards under section 1326(a)(2) which should be transferred to the trustee's expense account when return of funds to the debtor is made.

**ADJUSTMENT TO PERCENTAGE FEE:** Pursuant to 28 U.S.C. §586(e) the Attorney General, after consultation with the United States Trustee, is required to fix a percentage fee, not to exceed 10%, sufficient to pay the trustee's maximum annual compensation and the actual necessary expenses incurred by the standing trustee. §586(e) clearly contemplates that annual adjustments will be made to standing trustee's percentage fees and simple fairness dictates that such changes be applied across the board to all confirmed cases. In instances where a percentage fee is adjusted, disputes may develop in those jurisdictions where the practice has been to specify the trustee's percentage fee in the plan or in the order confirming the plan. [For example, the plan or order provides for the debtor to pay the trustee's percentage fee of 5%, as opposed to simply requiring the debtor to pay the percentage fee as fixed by the Attorney General under 28 U.S.C. §586(e)]. Where an existing plan or order confirming plan delineates the percentage fee which is to be paid, and the standing trustee subsequently obtains an amended order adjusting the percentage fee, the trustee may:

- 1) Apply the new percentage fee in all cases pending his/her administration;  
or
- 2) If option (1) is not feasible, seek a formal order of the court modifying existing plans to allow for the payment of "such percentage fee as is fixed by the Attorney General from time to time, not exceeding 10%"; or
- 3) Charge the percentage fee delineated in the plan or the order confirming the plan.



In all instances, the trustee will be required to maintain accounting records, for budgeting and annual report purposes, clearly identifying various percentage fees applicable to specific cases during the fiscal year.

To prevent these circumstances from reoccurring in the future, all standing trustees should object to any proposed plan that seeks to specify the trustee's fee in the plan and/or order confirming the plan. Plans and orders confirming plans should reflect language to the effect that the trustee shall charge such percentage fee as may periodically be fixed by the Attorney General pursuant to 28 U.S.C. §586(e). This will alleviate the necessity for the standing trustee to seek formal modification to a confirmed plan when conditions require the standing trustee fee to increase.

**STANDING CHAPTER 13 TRUSTEE REPORTS:** The trustee is required to make certain reports to the United States Trustee and/or the Bankruptcy Court:

**341 Meeting Report:** If required by local rule, practice or procedures, an interim status report on each chapter 13 case within 15 days following the conclusion of the section 341 meeting at which the debtor is examined under oath. The report may be required to include the section 341 meeting minute report and such additional information as the United States Trustee or the Court requires.

**Final Report:** A final report must be filed for each chapter 13 case upon completion of all payments under the plan, entry of a hardship discharge, dismissal or conversion of the case, as required by section 704(9) pursuant to section 1302(b)(1).

**Monthly Reports:** Monthly reports are required by the United States Trustee to monitor and determine the proper amount of trustee's bond, collateralization of the estate funds pursuant to 11 U.S.C. section 345, as well as to recommend any necessary adjustment to the trustee's percentage fee. (See Appendix J as an example of the substance to be contained in such report.)

**Annual Report:** Each trustee must submit an Annual Report (see Appendix I) in the format prescribed by the Executive Office for the period covering October 1 to September 30, or for the portion of a fiscal year during which the trustee served. Annual Reports are to be submitted to the United States Trustee no later than November 15 following the end of the fiscal year, or if the trustee does not serve through the end of the fiscal year, within 45 days of the date the trustee's service ended.

The report will indicate the gross amount received by the trustee, the amounts disbursed under plans, the amounts disbursed to the trustee for compensation and expenses, the amount of interest earned, the amounts returned to the debtors, and the amounts to be remitted to the United States Trustee for payment to the Treasury. The Director or the United States Trustee may require more frequent reports.

**TRUSTEE'S REPORTS TO THE DEBTORS:** The trustee shall, no less than once per year, deliver to the debtor and debtor's attorney a report indicating all receipts from the debtor and disbursements made by the trustee's office within the prior year, or prior six months, if such reports are made semi-annually. Additionally, the reports must indicate the then existing undistributed funds on hand. (See Appendix K for samples).

**AUDIT AND AUDIT CONTROLS:** Each trustee is subject to audit annually, or more frequently at the discretion of the United States Trustee or the Director, by an auditor selected by the Director or by the United States Trustee with the concurrence of the Director. The expense of the audit is an expense of administration to be paid by the trustee from the expense account.

Each trustee must establish and maintain a system of internal controls. In connection with the annual audit, a management letter will be prepared by the auditors. The management letter will address, at a minimum, the following areas:

**Bank Lock Box:** Bank lock box systems remove substantially all debtor payments from the trustee's office and accordingly represent a strong internal control tool. Strengths and costs of a bank lock box system should be considered.

**Restrictive Endorsement of Debtor Checks Received:** Debtor checks should be endorsed immediately upon receipt. This will avoid availability of negotiable checks.

**Computer Input/Output Controls:** Check listings and other data center control and error documents should be reviewed on a timely basis to ensure the integrity of data processed.

**Initial Control Over Receipts:** Debtor checks should be identified, batched and brought under numerical control to ensure that all, checks received are deposited.

**Daily Deposit of Receipts:** Debtor checks should be recorded on input sheets, deposit tickets prepared and funds deposited on a daily basis.

**Hard Currency Remittances:** Hard currency presents control problems regardless of internal procedures employed. In the event that cash is accepted, a pre-numbered receipt must be given to the debtor, and funds immediately deposited. An office procedure should be established to encourage payment by check or money order.

**Creditor Overpayments and NSF Checks:** Creditor overpayments and NSF checks should be recorded and monitored until resolved.

**Facsimile Check Signing Machine and Signature Stamp:** When a facsimile check signing machine is used procedures designed to overcome the absence of direct signer involvement must be established. Procedures would include sole control of the signature plate by the trustee or a single authorized staff person monitoring of the machine's meter indicating number of signatures affixed. Use of a signature stamp would require restriction to a designated person, security of the stamp in a locked safe or compartment and restricted access to the secured compartment.

**Stale Dated Outstanding Checks:** Stale dated outstanding checks should be cancelled and reissued within 90 days.

**Debtor Refunds:** Debtor refund, conversion and dismissal payments should be made promptly by check.

**Review and Verification of Expense Documentation:** Supporting documentation concurrent with expense checks must be maintained. Documentation should be cancelled to indicate completion of the disbursement process.

**Distribution of Signed Checks:** Individuals involved in the preparation of trust and expense disbursement checks should not be involved in their stuffing and mailing. Segregation of these duties, when possible, avoids access to signed checks by persons capable of inserting improper checks into the disbursement cycle.

**Undeliverable Disbursement Checks:** Disbursement checks that are returned, because of inadequate address or other reasons, should be processed by an individual not involved with the initial check authorization and preparation.

**Timeliness of Bank Reconciliations:** Reconciliations of trust, expense and other bank accounts should be conducted on a monthly basis. Reconciliations should be initialed by the individual responsible for performance of this task.

**Correction of Reconciling Items:** Bank account reconciling items requiring correction should be resolved in a timely manner.

**Approval of Bank Reconciliations:** Reconciliations should be reviewed and approved by the trustee and approval indicated by signature of the trustee.

**Reconciliation of Debtor Ledgers with Checking and Time Deposit Balances:** The best available verification that detail case records properly reflect overall receipt and disbursement activity is the reconciliation of debtor ledgers with checking and time deposit balances. This reconciliation should be conducted on a monthly basis.

**Non-Interest Bearing Funds:** Levels of non-interest bearing fund balances should be monitored to efficiently maximize interest on investments.

**Limited Computer File Access:** Dedicated computer passwords should be used to limit employee access to sensitive data fields.

**Computer Password Security:** Computer passwords used by authorized employees should be periodically changed.

**Computer Program Security:** Computer programmers should be limited to live debtor and creditor data files. The segregation of these duties is important to provide assurance that persons with access to and capability of changing programs cannot individually address and possibly change data.

**Computer Lock and Key Security:** A physical locking mechanism should be used to secure hardware when not in authorized use and the keys should be adequately secured.

**Internal Software Edits:** The computer program should include automatic edit checks to detect data entry, computer program and other errors.

**Periodic Debtor Communication:** Periodic statements should be mailed to debtors and debtors' attorneys in the ordinary course of business to provide a passive control over potential errors.

**Delinquent Debtors:** Delinquent debtor payments should be identified in a timely manner and action taken for maximum creditor protection.

**Segregation of Other Chapter Cases:** Chapter 13 funds may not be commingled with funds of Chapter 12 or any other chapter case funds.

**Case File Maintenance:** Case files should contain the typically expected documents and document copies and be maintained in an orderly manner.

**Surety Bonding:** Bond coverage must comply with United States Trustee Program requirements.

**Bond or Deposit of Securities by Depositories:** Pledges of Securities by Depositories must comply with United States Trustee Program requirements.

**Operating Budgets:** Operating budgets should be reviewed and updated as each year progresses. This will ensure that expenses are controlled and compensation limitations are monitored.

**Fixed Asset Ledger:** A detailed listing of trusteeship furniture and equipment must be maintained in such a way that each year's additions can be reconciled to dollar totals.

**Segregation of Duties:** The basic premise of sound internal control is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

**Documentation of Staff Procedures:** Routine staff procedures should be documented. Written job descriptions ensure consistent staff performance and facilitate employee training.

**Monitoring of Staff Attendance:** Records of employees' time should be maintained and reviewed by the trustee. Records should also be maintained to document overtime worked for which staff are paid.

**Safeguarding of Accounting Records:** Accounting records should be stored in secure facilities. Accounting records must receive adequate protection to avoid a possibility of loss due to fire or other natural disaster.

**Standing Trustee Involvement:** The trustee must be actively involved with daily routines of the Trusteeship.

**Joint Cost Allocation (i.e. between trustee operation and others such as private practice and other trustee operations):** Documentation of expenses allocated between Chapter 13 and other activity must be maintained.

**RETENTION OF RECORDS:** Individual Case Cash Receipts and Disbursement Ledgers must be retained for three years following the date on which the trustee was discharged in the case. The trustee's General Ledger supporting each year's Annual Report must be retained for a period of not less than seven years.

The trustee must maintain all bank records, including bank statements, monthly bank reconciliations, cancelled checks, and deposit slips, separate from individual case files and in chronological order, for a period of not less than seven years.



Accounting records are to be supported by pre-numbered receipts for cash payments ( however, payments in cash should be strongly discouraged), bank pre-numbered checks, and bank receipted deposit slips which identify each source of funds being deposited.

Individual Case Cash Receipts and Disbursements Ledgers, General Ledgers, and the Cash Receipts and Disbursements Journal may be transferred to microfilm or other similar form of record two years after the annual report covering those transactions has been submitted. Bank records may be so transferred five years after the report is submitted.

Individual case files must be retained until an order closing the case and discharging the trustee is entered by the Court. The period of time a trustee retains the individual case files beyond the closing of the case and the discharge is within the trustee's discretion. This discretion should be guided by the trustee's individual need for reference to the file for subsequent creditor/debtor inquiries or other reasons.

Should the trustee have possession of original court documents, such as proof of claims, the disposition of same should be in accordance with the directions of the Court and/or Clerk.

**DISPOSABLE INCOME:** Section 1325(b)(1) states:

(1) If the trustee or the holder of an allowed unsecured claim objects to the confirmation of the plan, then the court may not approve the plan unless, as of the effective date of the plan--

(A) the value of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or

(B) the plan provides that all of the debtor's projected disposable income to be received in the 3-year period, beginning on the date that the first payment is due under the plan will be applied to make payments under the plan.

Pursuant to section 1302(b)(5), it is the trustee's duty to "(5) ensure that the debtor commences making timely payments required by a confirmed plan". Therefore, where a debtor's confirmed plan contains a commitment of disposable income pursuant to section 1325(b)(1), the trustee must first make the necessary review to determine to what extent disposable income exists and, secondly, ensure its timely payment under the confirmed plan.

A trustee may require debtors to calculate disposable income in those instances where its payment has been committed under the confirmed plan, and object to any item that appears inaccurate or unreasonable.

28 CFR - PART 58 -            REGULATIONS RELATING TO THE BANKRUPTCY  
REFORM ACT OF 1978

Sec.

- 58.1 Authorization to establish panels of private trustees.
- 58.2 Authorization to appoint standing trustees.
- 58.3 Qualification for membership on panels of private trustees [sic].
- 58.4 Qualification for appointment as standing trustees.
- 58.5 Non-discrimination in appointment.

AUTHORITY: 28 U.S.C 509, 510, 588(d).

SOURCE: Order No. 921-80, 45 FR 82631, Dec. 16, 1980,  
unless otherwise noted.

§58.1 Authorization to establish panels of private trustees.

(a) Each United States Trustee is authorized to establish a panel of private trustees (the "panel") pursuant to 28 U.S.C. 588(a)(1).

(b) Each United States Trustee is authorized, with the approval of the Director, Executive Office for United States Trustees (the "Director") to increase or decrease the total membership of the panel. In addition, each U.S. Trustee, with the approval of the Director, is authorized to institute a system of rotation of membership or the like to achieve diversity of experience, geographical distribution or other characteristics among the persons on the panel.

§58.2 Authorization to appoint standing trustees.

Each United States Trustee is authorized, subject to the approval of the Deputy Attorney General, or his delegate, to appoint and remove one or more standing trustees to serve in cases under Chapter 12 and 13 of Title 11, United States Code.

[Order No. 921-80, 45 FR 82631, Dec. 16, 1980, as amended by  
Order No. 960-81, 46 FR 52360, Oct. 27, 1981, and  
Order No. 1160-86, Nov. 26, 1986]

### §58.3 Qualification for membership on panels of private trustees.

(a) To be eligible for appointment to the panel and to retain eligibility therefor, an individual must possess the qualifications described in paragraph (b) of this section in addition to any other statutory qualifications. A corporation or partnership may qualify as an entity for appointment to the private panel. However, each person who, in the opinion of the United States Trustee or of the Director, performs duties as trustee on behalf of a corporation or partnership must individually meet the standards described in paragraph (b) of this section, except that each United States Trustee, with the approval of the Director, shall have the discretion to waive the applicability of paragraph (b)(6) of this section as to any individual in a non-supervisory position. No professional corporation, partnership, or similar entity organized for the practice of law or accounting shall be eligible to serve on the panel.

(b) The qualifications for membership on the panel are as follows:

(1) Possess integrity and good moral character.

(2) Be physically and mentally able to satisfactorily perform a trustee's duties.

(3) Be courteous and accessible to all parties with reasonable inquiries or comments about a case for which such individual is serving as private trustee.

(4) Be free of prejudices against any individual, entity, or group of individuals or entities which would interfere with unbiased performance of a trustee's duties.

(5) Not be related by affinity or consanguinity within the degree of first cousin to any employee of the Executive Office for United States Trustees of the Department of Justice, or to any employee of the office of the United States Trustee for the district in which he or she is applying.

(6)(i) Be a member in good standing of the bar of highest court of a state or of the District of Columbia; OR

(ii) Be a certified public accountant; OR

(iii) Hold a bachelor's degree from a full four-year course of study (or the equivalent) of an accredited college or university (accredited as described in Part II, § III of Handbook X118 promulgated by the United States Office of Personnel Management) with a major in a business-related field of study or at least 20 semester-hours of business-related courses; or hold a master's or doctoral degree in a business-related field of study from a college or university of the type described above; OR

(iv) Be a senior law student or candidate for a master's degree in business administration recommended by the relevant law school or business school dean and working under the direct supervision of:

(A) A member of a law school faculty; or

(B) A member of the panel of private trustees; or

(C) A member of a program established by the local bar association to provide clinical experience to students; OR

(v) Have equivalent experience as deemed acceptable by the United States Trustee.

(7) Be willing to provide reports as required by the United States Trustee.

(8) Have submitted an application under oath, in the form prescribed by the Director, to the United States Trustee for the District in which appointment is sought: Provided, That this provision may be waived by the United States Trustee on approval of the Director.

#### §58.4 Qualification for appointment as standing trustee.

To be eligible for appointment as a standing trustee, an individual must have the qualifications for membership on a private panel of trustees set forth in §58.3. An individual need not be an attorney to be eligible for appointment as a standing trustee. A corporation or partnership may be appointed as standing trustee only with the approval of the Director.

#### §58.5 Non-discrimination in appointment.

The United States Trustees shall not discriminate on the basis of race, color, religion, sex, national origin or age in appointments to the private panel of trustees or of standing trustees and in this regard shall assure equal opportunity for all appointees and applicants for appointment to the private panel of trustees or as standing trustee. Each United States Trustee shall be guided by the policies and requirements of Executive Order No. 11478 of August 8, 1969, relating to equal employment opportunity in the Federal Government, section 717 of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000e-16), section 15 of the Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. 633a), and the regulations of the Office of Personnel Management relating to equal employment opportunity (5 CFR Part 713)

[Order No. 921-80, 45 FR 82631, Dec. 16, 1980, as amended by Order No. 960-81, 46 FR 52360, Oct. 27, 1981]

## CERTIFICATION

I hereby certify, under Penalty of Perjury that I have not solicited or accepted, and that I will not solicit or accept any gratuity, gift, or other remuneration of thing of value from any person, if such is intended or offered to influence any of my actions as a trustee, or as an employee of the trustee, in any chapter 13 case.

\_\_\_\_\_  
Chapter 13 Trustee

\_\_\_\_\_  
Employee  
Title or Position: \_\_\_\_\_

\_\_\_\_\_  
Employee  
Title or Position: \_\_\_\_\_

This certification is to be signed by the chapter 13 trustee and all the employees in the office of the chapter 13 trustee and returned to the United States Trustee within ten days of its receipt.

\*\*\*SAMPLE\*\*\*

CASH RECEIPTS AND DISBURSEMENTS JOURNAL

BANK ACCOUNT NUMBER:  
BANK NAME:

DATE	SOURCE OR PAYEE	CHECK NO.	AMOUNT DISBURSED	AMOUNT CLASSIFICATION	AMOUNT RECEIVED	DEBTOR NUMBER	NAME	BALANCE
JAN 01, 1985	CASH BALANCE FORWARD							\$2,266.84
JAN 06, 1985	JAMES HARDY				\$150.00	B-84-0099	HARDY	\$2,416.84
JAN 06, 1985	AMERICAN CHEMICAL	1001	\$325.00	UNSECURED		B-82-1298	JENKINS	\$2,091.84
JAN 07, 1985	GMAC	1002	\$75.00	SECURED		B-83-2209	JENSON	\$2,016.84
JAN 07, 1985	KELLEY BENSON				\$990.00	B-84-0098	BENSON	\$3,006.84
JAN 07, 1985	KIM BENTLEY				\$550.00	B-81-8907	BENTLEY	\$3,556.84
JAN 09, 1985	MARVIN MYLES			UNCONFIRMED PLAN	\$125.00	B-85-9987	MYLES	\$3,681.84
JAN 10, 1985	HOUSEHOLD FINANCE	1003	\$1,234.99	SECURED		B-84-0098	BENSON	\$2,446.85
JAN 10, 1985	NAK CREDIT UNION	1004	\$500.00	SECURED		B-84-7184	JOHNSON	\$1,946.85
JAN 10, 1985	FIRST CITY BANK	1005	\$43.78	UNSECURED		B-84-7184	JOHNSON	\$1,903.07
JAN 15, 1985	VISA	1006	\$59.78	UNSECURED		B-83-2113	BANTON	\$1,843.29
JAN 15, 1985	VOID	1007	\$0.00	UNSECURED		B-83-2113	BANTON	\$1,843.29
JAN 15, 1985	HECHINGERS	1008	\$123.47	UNSECURED		B-83-2113	BANTON	\$1,719.82
JAN 23, 1985	MARVIN MYLES			UNCONFIRMED PLAN	\$125.00	B-85-9987	MYLES	\$1,844.82
JAN 26, 1985	JAMES HARDY				\$150.00	B-82-1298	HARDY	\$1,994.82
JAN 26, 1985	AMERICAN CHEMICAL				\$325.00	B-82-1298	JENKINS	\$2,319.82
JAN 26, 1985	NATALIE BANTON				\$432.00	B-82-2113	BANTON	\$2,751.82
JAN 31, 1985	HARRY PARKS				\$21.25	B-84-9987	PARKS	\$2,773.07
JAN 31, 1985	SEARS, ROEBUCK & CO.				\$525.00	B-83-1199	CHAMBE	\$3,298.07
JAN 31, 1985	GMAC	1009	\$310.00	SECURED		B-81-0289	O'CONN	\$2,988.07
JAN 31, 1995	KELLEY BENSON	1110	\$25.00	REFUND-DEBTOR		B-84-0098	BENSON	\$2,963.07
JAN 31, 1985	GENERAL MOTORS				\$500.00	B-82-0012	BECK	\$3,463.07
JAN 31, 1985	SUSAN BECK	1111	\$350.00	REFUND-DEBTOR		B-82-0012	BECK	\$3,113.07
JAN 31, 1985	SAM TRUSTEE	1112	\$267.20	TRUSTEE FEE				\$2,845.87
JAN 31, 1985	UNION TRUST BANK-CD4367			INTEREST	\$90.00			\$2,935.87
JAN 31, 1985	JOHN JONES			UNCONFIRMED PLAN	\$300.00	B-95-0100	JONES	\$3,235.87
JAN 31, 1985	SEARS, ROEBUCK & CO.			REFUND-CREDITOR-UNSECURED	51.68	B-83-1169	DAVIS	\$3,287.55
			\$3,314.22		\$4,334.93			

\*\*\*SAMPLE\*\*\*

CASH RECEIPTS AND DISBURSEMENTS JOURNAL FOR MONTHLY POSTING TO GENERAL LEDGER

<u>DISBURSEMENTS</u>		<u>RECEIPTS</u>	
<u>CLASSIFICATION</u>	<u>AMOUNT DISBURSED</u>	<u>CLASSIFICATION</u>	<u>AMOUNT RECEIVED</u>
UNSECURE	\$552.03	INTEREST	\$90.00
SECURED	\$2,119.99	PAYMENTS RECEIVED	\$3,643.25
REFUNDS TO DEBTOR	\$375.00	UNCONFIRMED PLAN PAYMENTS	\$550.00
TRUSTEE FEE	<u>\$267.20</u>	REFUNDS OF CREDITORS	<u>\$51.68</u>
TOTAL CASH DISBURSED	\$3,314.22	TOTAL CASH RECEIVED	\$4,334.93
	=====		=====



\*\*\*SAMPLE\*\*\*

CASE # B-85-9987  
 FILED: 01-09-85  
 PERCENT PLAN - 50%

TYPE  
 U - U S - SECURED  
 P - P A - ADMINISTRATIVE  
 DIV - DIVIDEND

DEBTOR: MARVIN MYLES  
 1212 MONEY ST.  
 MOBILE, VA 22380

DEBTORS ATTORNEY: CLYDE DURIGHT  
 CONFIRMED: 05-05-85  
 SEMI-MONTHLY PAYMENT: \$125.00

DATE	RECEIPT SOURCE	RECEIPT RECEIVED	INTERNAL REVENUE CLAIM \$750.00/P CK# AMT.PD 110% DIV./ \$750.00	HOUSEHOLD FINANCE CLAIM \$95.00/S CK# AMT.PD 100% DIV./ \$952.00	FIRST NATL BANK CLAIM \$887.00/S CK# AMT.PD 100% DIV./ \$887.00	J.C. PENNY CO. CLAIM \$543.98/U CK# AMT.PD 50% DIV./ \$271.99	GECC CLAIM \$1,297.00/S CK# AMT.PD 100% DIV./ \$1,297.00	TRUSTEES FEE  CHECK AMT. NO. PAID	TRANS- FERRED TO EXPENSE ACCOUNT TO DATE	TOTAL  ACCOUNT BALANCE
01/09/85	MYLES	\$125.00								\$125.00
01/23/85	MYLES	\$125.00								\$250.00
02/16/85	MYLES	\$125.00								\$375.00
02/20/85	MYLES	\$125.00								\$500.00
03/13/85	MYLES	\$125.00								\$625.00
03/27/85	MYLES	\$125.00								\$750.00
04/11/85	MYLES	\$125.00								\$875.00
04/24/85	MYLES	\$125.00								\$1,000.00
05/08/85	MYLES	\$125.00								\$1,125.00
05/22/85	MYLES	\$125.00								\$1,250.00
05/24/85			1235 \$750.00					1236 \$82.50	\$82.50	\$417.50
06/08/85	MYLES	\$175.00								\$592.50
06/22/85	MYLES	\$75.00								\$667.50
07/06/85	MYLES			1237 \$142.89	1238 \$133.11	1239 \$25.00	1240 \$194.65	1241 \$54.53	\$137.03	\$117.32

\*\*\*SAMPLE\*\*\*

GENERAL LEDGER														
DATE	CASH IN BANK DEPOSITS (CHECKS)	CONFIR. PLAN RECEIPTS	UNCON. PLAN RECEIPTS	INT. EARNED	CRED. REF. (S)	CRED. REP (U)	CRED. REF. (P)	SECURED	UN- SECURED	(P)	DEBTOR REFUNDS	TRUSTEE FEES	INVEST. MADE (LIQ.)	ADMIN EXP.
SUBTOTAL	\$2,266.84	\$71,335.45	\$100.00	\$180.00	\$0.00	\$0.00	\$0.00	\$49,170.20	\$10,164.90	\$0.00	\$1,580.00	\$5,933.51	\$2,500.00	\$0.00
JAN 1985	\$4,334.93 (\$3,314.22)	\$3,643.25	\$550.00	\$90.00		\$51.68		\$2,119.99	\$552.00	\$0.00	\$375.00	\$267.20		\$0.00
SUBTOTAL	\$3,287.55	\$74,978.70	\$650.00	\$270.00	\$0.00	\$51.68	\$0.00	\$51,290.19	\$10,716.93	\$0.00	\$1,955.00	\$6,200.71	\$2,500.00	\$0.00
FEB 1985														
SUBTOTAL														
MAR 1985														
SUBTOTAL														
APR 1985														
SUBTOTAL														
MAY 1985														
SUBTOTAL														
JUN 1985														
SUBTOTAL														
JUL 1985														
SUBTOTAL														
AUG 1985														
SUBTOTAL														
SEP 1985														
SUBTOTAL														
ADJUSTMENTS														
FOR FY 85														
TOTAL FY														

INSTRUCTIONS FOR THE PREPARATION OF  
CHAPTER 13  
STANDING TRUSTEES ANNUAL SUMMARY BUDGET REQUEST

I. Introduction

These instructions relate to the preparation of standing trustee upcoming budget estimate. The various policies with budgetary impact are covered, as is guidance on the classification of expenditures from trustee office expense accounts.

II. Responsibilities and Timetables

A. Standing Trustees. The standing trustee will prepare all budget estimates in final form for submission to the United States Trustee by August 1 of each year.

B. United States Trustee. The United States Trustee will review the standing trustee's budget estimates, provide comments, and indicate approval of budget requests along with any necessary modifications for their submission of the data to the Director by August 31 of each year. Recommended upcoming yearly percentage fees and compensation levels must accompany United States Trustee letters which approve the standing trustee's yearly budget.

C. Executive Office for U.S. Trustees. The Executive Office will issue approved standing trustee compensation levels and any changes in percentage fees by September 30 of each year. Requests for compensation increases will not be processed until the budgets are approved by the United States Trustee.

The Executive Office will also conduct an analysis of the data provided by standing trustees in their budget requests. The analysis will report the ranges of expenses incurred during the previous year and ranges of projected costs for the current and upcoming year.

III. Standards to be Used in Preparing Estimates.

The current data requested in the budget forms provided should be available from the standing trustee's most recent annual report. Where necessary, accounting practices should be modified to capture data in the requested level of detail and in the categories of expense used throughout the submission.

Several exhibits in the presentation include flexible formatting. These include the Supporting Estimates (Exhibit II), the Detail of Personnel Expense (Exhibit III), and Apportioned Expenses (Exhibit IV). Flexible formatting means that the amount of detail to be provided may not fit the space available on the form. The sequences of items in Exhibit II should be followed to correspond with the Budget Summary. In those categories where insufficient space is provided, it is recommended that you expand the space allocated to that category and begin the next category below the expanded one. The same recommendation applies to Exhibits III, IV, and V. If additional space is needed, the format of the sample exhibit should be followed as closely as possible on any additional pages.

Current-year data should be projected from the latest available report of expenditures to date. A projection can be made to the end of the year by proration or by some other estimate of year-end total costs. Current estimates serve as a basis for the upcoming request, so all current year projections should reflect a full-year cost.

#### B. Required Materials

Exhibits are required to document the standing trustee's office expense account, the personnel employed by the standing trustee operation, apportioned expenses, and workload. All figures in the exhibits should be rounded to the nearest dollar.

#### Exhibit I. Upcoming Fiscal Year Summary Budget Request.

This exhibit provides a breakdown of expense categories which are explained further below. Because most of the categories are used to prepare annual reports, the requested data should be available from standing trustee financial records. Where the classification of an expense could, reasonably fall in more than one category, consistency in classification from year to year is more important than the category selected.

Expense Classifications for Exhibits I and II. The following guidance is provided for preparing cost figures for the trustee's actual and necessary expenses.

Item 1. Employee Expense: Regular salaries and wages, including bonuses and benefits, paid directly to employees, amounts withheld from payments to employees, and employer's contributions.

Item 2. Rent: Charges for rental of office space, conference rooms, garage space, and storage space.

Item 3. Utilities: Self-explanatory.

Item 4. Bookkeeping and Accounting Services: Charges incurred for services obtained on outside contracts for all bookkeeping and accounting charges necessary for the operation of standing trustee office, including charges for the preparation of payroll, payroll taxes, annual reports, tax returns for trust accounts, and reconciliation of bank accounts.

Item 5. Computer Services: Charges for services for the development and modification of software systems, data preparation and conversion (keying, data coding, key-to-tape, key-to-disk, and card-to-tape), consulting, and research and development, including initial processing fees charged by a computer firm.

NOTE: The Executive Office makes no recommendation on the use of a computer firm. The requirements contained herein must, however, be met.

Item 6. Audit Services: Charges incurred for services of any independent auditing firm selected by the Executive Office.

Item 7. Consulting Service: Charges incurred under contract with individuals for services as attorneys, accountants, and automated data processing consulting.

Item 8. Telephone: Charges for local phone service, long distance services, switchboards, and installation of telephone equipment.

Item 9. Postage and Mailing: All postal charges, including parcel post, express mail, rental of post office boxes, mailing machines, and postage meters.

Item 10. Office Supplies: Charges incurred for pencils, paper, calendar pads, standard forms, printed forms, envelopes, photocopying paper and supplies, and other office supplies and property of little monetary value such as desk trays and pen sets, and including rentals of safety deposit boxes.

Item 11. Bond Premiums: Fees for premiums on surety bonds, including any premiums paid to bond an employee.

Item 12. Clerks Fees: Do not include any fees that are provided to be paid under the plan.

Item 13. Dues to Professional Organizations: Charges for membership to professional organizations in connection with the duties of the standing trustee.

Item 14. Publications: Charges for subscriptions to and copies of journals and periodicals, and for books and directories in the standing trustee's library. The cost of textbooks for training are excluded.

Item 15. Insurance (other than employee benefits): Charges for insurance to protect assets of the office of the standing trustee or employees (such as fire, theft, and accidental injury to property or third persons), and automobile insurance, if said automobile is owned or leased by the office of the standing trustee as authorized by the United States Trustee.

Item 16. Conference Expenses: Charges for training and tuition, including charges for conference registration, textbooks and supplies, air fare, mileage, meals, and other costs incurred as related to approved travel in connection with training activities associated with the duties of the standing trustee.

Item 17. Maintenance: Charges incurred for the repair and maintenance of the office suite and office equipment, including all office machines and furnishings, and including charges for custodial services when not included in the basic lease agreement.

Item 18. Photocopy Services for Transcripts: Self-explanatory.

Item 19. Travel: Self-explanatory.

Item 20. Equipment/Furniture Rental: Charges for the use of equipment owned by another, including copying machines, audio and visual aid equipment, rental of computer systems and software, printers, desks, tables, chairs, typewriters, calculators/bookkeeping machines, and file cabinets, if total rent payments are less than cost of purchase.

Item 21. Equipment/Furniture Purchase: Charges for purchase of movable furniture, fittings, and fixtures; including desks, tables, chairs, typewriters, calculators and adding/bookkeeping machines, and file cabinets, and including charges for services in connection with initial installation when performed under contract. All equipment/furniture purchased from Chapter 13 funds remain the possession of the office of the standing trustee, and are to be used for the administration of all Chapter 13 cases by the trustee and any successor trustee.

Item 22. Lease Hold Improvements: Charges incurred for space adjustments (including partitioning), alterations, and improvements to building or office suite as approved by the United States Trustee.

Item 23. All Other Expenses: All expenses not otherwise classified. If several expenses are included, provide a break down of the miscellaneous expenses.

#### Exhibit II. Upcoming Year Supporting Estimates.

Several categories of expense on Exhibit I are asterisked to indicate that supporting detail is needed to substantiate the total expense. The supporting details are to be provided in Exhibit II, according to the following guidelines:

Business transactions involving the standing trustee or a related party:

The United States Trustee system discourages the transaction of business between the trustee operation and the standing trustee or a related party where the existence or appearance of a conflict of interest may arise. However, where fair-market or even favorable rates are obtained by the trustee operation, each such transaction may be judged on its merits not to involve a serious conflict. Documentation in support of dealings between the trustee operation and the trustee or a related party may be required by the U.S. Trustee.

The expenses itemized in the Supporting Estimates should agree with figures entered in the same categories of the Budget Summary Exhibit (Exhibit I). The United States Trustee staff will verify agreement between figures in the two exhibits.

All expense items should be listed within the categories requested in the Supporting Estimates Exhibit. If the number of entries exceeds the number of lines provided, then additional lines should be inserted before proceeding to the next category. Expense items of less than \$50 each may be grouped together in a single entry, "all other", just before the subtotal entry within each category.

#### Exhibit III. Upcoming Year Detail of Personnel Expense.

The Detail of Personnel Expense (Exhibit III) is the supporting material needed for Item 1 of Exhibit I. To assist in the United States Trustee's review of this exhibit, the list of standing trustee employees should be prepared in descending order (with highest-paid employees listed first).

For each employee, Exhibit III requires individual data on salary benefits, average number of hours worked per week, and average hourly wage. The position description for each employee itemizing all of the duties performed must accompany Exhibit III. Only three sample blocks are provided on Page 7 of the sample forms. If more are needed, they should be repeated in the same format on supplemental pages. Note that the trustee is not an employee and, under the UST system, payroll taxes and benefits for the trustee are personal expenses of the trustee. As of this report, therefore, no line item is provided for the trustee.

#### Exhibit IV. Apportioned Expense Exhibit.

On this exhibit, list all costs apportioned partly to the standing trustee and partly to another business entity, e.g., law practice, or Chapter 12 cases. The basis for apportionment may be a proration of total cost, an actual figure based on standing trustee records, or some other method. However, for each separate apportionment, approval must be obtained in advance from the U.S. Trustee. In the previous, current, and upcoming year columns, the total cost apportioned to the standing trustee operation is in parentheses. An example appears below if time spent is 50% on law practice and 50% on the standing trustee operation:

	Previous Actual <u>Expenses</u>	Current Full-Year <u>Estimate</u>	Upcoming Budget <u>Request</u>
1. Item: Personnel Expenses	\$50,000	\$58,000	\$64,000
<u>Basis for Apportionment:</u>	(25,000)	(29,000)	(32,000)
(Time spent on law practice: 50% and Chapter 13 operation: 50%)			

In this example, the basis for apportionment is 50% of staff time devoted to the standing trustee's activities. Using the previous year column to illustrate, the total cost of personnel is \$50,000, and \$25,000 of the cost is allocated to the standing trustee's expenses. The current and upcoming year columns are prepared with estimates for those years in the same manner that actual previous expenses are shown.



If all apportionments are made on the same basis, then only one basis for apportionment should be shown. If more than one allocation basis is used, a separate item should be used for each differing allocation basis.

For other exhibits in the budget submission, only the amount apportioned to the standing trustee office will be shown.

#### Exhibit V. Workload Exhibit.

The Workload Exhibit is divided into two parts. The first part covers receipts and percentage fees. Receipts reported in Item 1(a) should be net receipts ie., after refunds to debtors. Item 2(a) is the actual (previous year) or estimated (current/upcoming year) percentage fee needed to cover all expenses itemized in the Budget Summary and Supporting Estimates (Exhibits I and II and the trustee's compensation). In Item 2(b), indicate the dollar yield of the percentage fees from 2(a) in each year.

The second part of the Workload Exhibit examines the Chapter 13 cases assigned to the standing trustee. Instructions below will assist you in completing the caseload portion. (Items 3-7) of the exhibit.

3. Cases active, start of period - Enter the number of active cases as of the year indicated.
4. New cases assigned during the year - Enter the number of new cases received. Petitions should be recorded when received, as of the date they are received from the Bankruptcy Court.
5. Adjustments during the year - This section will be used to adjust the caseload for changes in the status of active cases:
  - a. Cases transferred in (+) - Cases transferred from other offices to your office will be added.
  - b. Cases converted to Chapter 13 (+) - Cases converted from another chapter will be added.
  - c. Cases transferred out (-) - Cases transferred from your office to another office will be subtracted.

- d. Conversions to another chapter (-) - A change from Chapter 13 to any other chapter will count as a conversion. Conversions will be subtracted.
  - e. Dismissals(-) - Cases dismissed will always be negative entries, to be subtracted.
6. Cases closed by the Court on completion of the plan or hardship discharge (-) - Enter the number of cases that the Bankruptcy Court has closed on completion of the repayment plan or upon entry of a hardship discharge. Cases closed will be subtracted
7. Cases active, end of period. - This figure represents the total of active cases at the end of the period arrived at by adding the figures in Items 5 and 6. The entry for "Cases active, end of period" should be carried forward as the number of "Cases active, start of period" for the next year.

Exhibit VI. Computation of Amount Available for Upcoming Fiscal Year.

Item 1. The amount to be inserted should be the total projected surplus estimated to be on hand at the end of the current year, including the balance of the operating reserve carried forward from the prior year and any additional amounts of surplus accumulated during the current year. This figure should equal the estimated expense account balance at the end of the current year.

**CHAPTER 13 ANNUAL BUDGET**  
 October 1, 199\_\_ - September 30, 199\_\_

NAME: \_\_\_\_\_  
 DATE: \_\_\_\_\_

I. Summary Budget Request

	Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
<u>NECESSARY EXPENSES:</u>				
*1. Employee Expenses.....	_____	_____	_____	_____
*2. Office Rent.....	_____	_____	_____	_____
*3. Utilities (if not included in rent).....	_____	_____	_____	_____
*4. Bookkeeping and Accounting Services.....	_____	_____	_____	_____
*5. Computer Services.....	_____	_____	_____	_____
6. Audit Services.....	_____	_____	_____	_____
*7. Consulting Services.....	_____	_____	_____	_____
8. Telephone.....	_____	_____	_____	_____
9. Postage .....	_____	_____	_____	_____
10. Office Supplies.....	_____	_____	_____	_____
*11. Bond Premiums.....	_____	_____	_____	_____
12. Clerk Fees (not under plans).....	_____	_____	_____	_____
*13. Dues to Professional Organizations.....	_____	_____	_____	_____
*14. Publications.....	_____	_____	_____	_____
*15. Insurance, other than Employment Related.....	_____	_____	_____	_____
*16. Conferences and Seminars.....	_____	_____	_____	_____
17. Maintenance and Service Agreements.....	_____	_____	_____	_____
18. Photocopy Services or Transcripts.....	_____	_____	_____	_____
*19. Travel.....	_____	_____	_____	_____
*20. Equipment/Furniture Rental.....	_____	_____	_____	_____
*21. Equipment/Furniture Purchases (excluding purchases from surplus).....	_____	_____	_____	_____
22. Leasehold Improvements (excluding purchases from surplus).....	_____	_____	_____	_____

I. SUMMARY BUDGET REQUEST

	Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
*23. Other Expenses (list):				
TOTAL Necessary Expenses.....				

\*These entries require additional detail on the "Supporting Estimates", "Personnel Summary", and "Detail of Personnel Expense" exhibits. Transfer the totals by category from the "Supporting Estimates" and "Personnel Summary" to the "Summary Budget Request".

## II. YEARLY SUPPORTING ESTIMATES

	Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
*1.Employee expenses:				
A. Salaries (including amounts withheld).....	_____	_____	_____	_____
B. Employer's Contribution (payroll taxes).....	_____	_____	_____	_____
C. Employee Benefits				
TOTAL Employee Expenses.....	_____	_____	_____	_____
2.Rent:				
A. Space Rentals .....	_____	_____	_____	_____
B. Total Square Footage Leased .....	_____	_____	_____	_____
C. Square Footage Apportioned to Chapter 13 Operation	_____	_____	_____	_____
D. \$ Amount Paid Per Square Foot .....	_____	_____	_____	_____
TOTAL Rent.....	_____	_____	_____	_____
3.Utilities (if not included in rent):				
A. Electricity.....	_____	_____	_____	_____
B. Gas.....	_____	_____	_____	_____
C. Water.....	_____	_____	_____	_____
TOTAL Utilities.....	_____	_____	_____	_____

\* Payment of payroll taxes and benefits for trustee are not allowable expense items.

II. YEARLY SUPPORTING ESTIMATES

	Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
4. Bookkeeping and Accounting Services:				
A. From Third Parties:				
1) vendor name and type of service.....	_____	_____	_____	_____
2) vendor name and type of service.....	_____	_____	_____	_____
B. From Standing Trustee or Related Party:				
1) vendor name and type of service.....	_____	_____	_____	_____
2) vendor name and type of service.....	_____	_____	_____	_____
TOTAL Bookkeeping and Accounting Services.....	_____	_____	_____	_____
5. Computer Services:				
A. Name of Organization that Provided these Services..	_____	_____	_____	_____
7. Consulting Services:				
A. From Third Parties:				
1) Consultant name and area of expertise.....	_____	_____	_____	_____
2) Consultant name and area of expertise.....	_____	_____	_____	_____
B. From Related Party:				
1) Consultant name and area of expertise.....	_____	_____	_____	_____
2) Consultant name and area of expertise.....	_____	_____	_____	_____
TOTAL Consulting Services.....	_____	_____	_____	_____

## II. YEARLY SUPPORTING ESTIMATES

	Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
11. Bond Premiums:				
A. For Standing Trustee.....	_____	_____	_____	_____
B. For Staff.....	_____	_____	_____	_____
TOTAL Bond Premiums.....	_____	_____	_____	_____
13. Dues to Professional Organizations:				
A. (name of organization).....	_____	_____	_____	_____
B. (name of organization).....	_____	_____	_____	_____
C. (etc.).....	_____	_____	_____	_____
TOTAL Dues.....	_____	_____	_____	_____
14. Publications:				
A. (name of publication).....	_____	_____	_____	_____
B. (name of publication).....	_____	_____	_____	_____
C. (etc.).....	_____	_____	_____	_____
TOTAL Publications.....	_____	_____	_____	_____
15. Insurance, other than Employee Benefits:				
A. (insurer name and type of insurance).....	_____	_____	_____	_____
B. (insurer name and type of insurance).....	_____	_____	_____	_____
C. (etc.).....	_____	_____	_____	_____
TOTAL Insurance.....	_____	_____	_____	_____
16. Conference and Seminars - Related Expenses:				
A. (conference and seminar attended).....	_____	_____	_____	_____
B. (conference and seminar attended).....	_____	_____	_____	_____
C. (etc.).....	_____	_____	_____	_____
TOTAL Conference Expenses.....	_____	_____	_____	_____

## II. YEARLY SUPPORTING ESTIMATES

	Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
17. Maintenance:				
A. (item).....	_____	_____	_____	_____
B. (item).....	_____	_____	_____	_____
C. (etc.).....	_____	_____	_____	_____
TOTAL Maintenance.....	_____	_____	_____	_____
19. Travel:				
A. Transportation.....	_____	_____	_____	_____
B. Lodging.....	_____	_____	_____	_____
C. Meals.....	_____	_____	_____	_____
D. Other (list).....	_____	_____	_____	_____
TOTAL Travel.....	_____	_____	_____	_____
20. Equipment/Furniture Rental:				
A. From Third Parties:				
1) Business equipment.....	_____	_____	_____	_____
2) Computer equipment.....	_____	_____	_____	_____
3) Furniture.....	_____	_____	_____	_____
4) Other rental.....	_____	_____	_____	_____
B. From Standing Trustee or Related Party				
1) Business equipment.....	_____	_____	_____	_____
2) Computer equipment.....	_____	_____	_____	_____
3) Furniture.....	_____	_____	_____	_____
4) Other rental.....	_____	_____	_____	_____
TOTAL Equipment/Furniture Rentals.....	_____	_____	_____	_____



## II. YEARLY SUPPORTING ESTIMATES

	Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
21. Equipment/Furniture Purchases:				
A. Business equipment.....	_____	_____	_____	_____
B. Computer equipment.....	_____	_____	_____	_____
C. Furniture.....	_____	_____	_____	_____
D. Other (specify).....	_____	_____	_____	_____
TOTAL Equipment/Furniture Purchases.....	_____	_____	_____	_____
23. All other Expenses(specify third or related party):				
A. (item).....	_____	_____	_____	_____
B. (item).....	_____	_____	_____	_____
C. (item).....	_____	_____	_____	_____
D. (etc.).....	_____	_____	_____	_____
TOTAL All other Expenses.....	_____	_____	_____	_____

### III. DETAIL OF PERSONNEL EXPENSE

	Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
#1 Employee Name/Position:_____				
Salary (including amounts withheld).....	_____	_____	_____	_____
Employer's Contribution (payroll taxes).....	_____	_____	_____	_____
Employee Benefits (list):				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
TOTAL Employee Expense.....	_____	_____	_____	_____
Average number of hours/week.....	_____	_____	_____	_____
Average hourly salary.....	_____	_____	_____	_____
#2 Employee Name/Position:_____				
Salary (including amounts withheld).....	_____	_____	_____	_____
Employer's Contribution (payroll taxes).....	_____	_____	_____	_____
Employee Benefits (list):				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
TOTAL Employee Expense.....	_____	_____	_____	_____
Average number of hours/week.....	_____	_____	_____	_____
Average hourly salary.....	_____	_____	_____	_____

### III. DETAIL OF PERSONNEL EXPENSE

	Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
#3 Employee Name/Position:_____				
Salary (including amounts withheld).....	_____	_____	_____	_____
Employer's Contribution (payroll taxes).....	_____	_____	_____	_____
Employee Benefits (list):				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
TOTAL Employee Expense.....	_____	_____	_____	_____
Average number of hours/week.....	_____	_____	_____	_____
Average hourly salary.....	_____	_____	_____	_____
#4 Employee Name/Position:_____				
Salary (including amounts withheld).....	_____	_____	_____	_____
Employer's Contribution (payroll taxes).....	_____	_____	_____	_____
Employee Benefits (list):				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
TOTAL Employee Expense.....	_____	_____	_____	_____
Average number of hours/week.....	_____	_____	_____	_____
Average hourly salary.....	_____	_____	_____	_____

III. DETAIL OF PERSONNEL EXPENSE

	Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
Total Employee Expense Per Employee:				
Employee #1 .....	_____	_____	_____	_____
Employee #2 .....	_____	_____	_____	_____
Employee #3 .....	_____	_____	_____	_____
Employee #4 .....	_____	_____	_____	_____
Employee #5 .....	_____	_____	_____	_____
Employee #6 .....	_____	_____	_____	_____
Employee #7 .....	_____	_____	_____	_____
Employee #8 .....	_____	_____	_____	_____
Employee #9 .....	_____	_____	_____	_____
Employee #10.....	_____	_____	_____	_____
Employee #11.....	_____	_____	_____	_____
TOTAL All Employees.....	_____	_____	_____	_____

IV. YEARLY APPORTIONED EXPENSE EXHIBIT

Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
---------------------------------	-----------------------------------	---------------------------------	---

Item and Basis for Apportionment:

1. Item:

Basis:

2. Item:

Basis:

3. Item:

Basis:

4. Item:

Basis:

5. Item:

Basis:

6. Item:

Basis:

# V. WORKLOAD EXHIBIT

	Previous FY <u>Actual</u>	Current FY <u>Full-year</u>	Upcoming FY <u>Budget</u>	Upcoming Percentage <u>Change</u>
1. *a) Receipts, actual or estimate (excluded constructive receipts).....	_____	_____	_____	_____
*b) Disbursements, actual or estimate (exclude constructive disbursements).....	_____	_____	_____	_____
c) Interest earned on trust and expense funds, actual or estimate.....	_____	_____	_____	_____
d) Revenue from awards under Section 503(b).....	_____	_____	_____	_____
2. a) Percentage fee, actual or requested.....	_____ %	_____ %	_____ %	
b) Revenue from percentage fees (Item 1(b) x Item 2(a)) \$	_____	\$ _____	\$ _____	
*c) Revenue from fees on direct payments.....	\$ _____	\$ _____	\$ _____	
3. Cases active, start of period.....	_____	_____	_____	
4. New cases filed during fiscal year (+).....	_____	_____	_____	
5. Adjustments during fiscal year:				
a) Cases transferred in (+).....	_____	_____	_____	
b) Cases converted from another chapter (+).....	_____	_____	_____	
c) Cases transferred out (-).....	_____	_____	_____	
d) Conversions to another chapter (-).....	_____	_____	_____	
e) Dismissals (-).....	_____	_____	_____	
Total adjustment (+) or (-).....	_____	_____	_____	
6. Cases closed by the Court on completion of the plan or hardship discharge (-).....	_____	_____	_____	_____
7. Cases active, end of period (3+4+5-6).....	_____	_____	_____	_____

NOTE: The entry for "Cases active, end of period" should be carried forward as a number of "Cases active, start of period" in the next fiscal year.

\*Fees may not be received on payments made directly by debtors to creditors under plans confirmed on or after November 26, 1986, in original United States Trustee districts. This restriction applies in other districts as to plans confirmed after Section 586(e) of Title 28 (as amended) becomes effective in the district.

VI. COMPUTATION OF AMOUNT AVAILABLE FOR UPCOMING FISCAL YEAR

- |   |       |
|---|-------|
| 1. Total projected surplus for current fiscal year<br>[should equal estimated expense account balance at end of current year] | _____ |
| 2. Interest earned on trust funds [same as V.1(c)]  | _____ |
| 3. Revenue from awards under Section 503(b) [same as V.1(d)]  | _____ |
| 4. Revenue from percentage fees [same as V.2(b)]  | _____ |
| 5. Revenue from fees on direct payments [same as V.2(c)]  | _____ |
| 6. Total funds available revenue [1+2+3+4+5]  | _____ |
| 7. Less total necessary expenses [same as total of I. on Page 2]  | _____ |
| 8. Balance of funds available [compensation (inclusive of<br>20% in benefits) and surplus, 6-7]                               | _____ |

NOTE: Entries for lines 2-8 reflect numbers for upcoming year

STANDING TRUSTEES CERTIFICATION TO BUDGET REQUEST

I hereby certify that the information contained herein is correct, and request that this annual budget be examined and approved by the United States Trustee.

APPROVED BY:

\_\_\_\_\_  
CHAPTER 13 STANDING TRUSTEE'S SIGNATURE

\_\_\_\_\_  
United States Trustee

31 U.S.C. § 9303.      Use of Government obligations instead of  
surety bonds

- (a) If a person is required under a law of the United States to give a surety bond, the person may give a Government obligation as security instead of a surety bond. The obligation shall --
  - (1) be given to the official having authority to approve the surety bond;
  - (2) be in an amount equal at par value to the amount of the required surety bond; and
  - (3) authorize the official receiving the obligation to collect or sell the obligation if the person defaults on a required condition.
- (b)
  - (1) An official receiving a Government obligation under subsection (a) of this section may deposit it with -
    - (A) the Secretary of the Treasury;
    - (B) a Federal reserve bank; or
  - (2) The Secretary, bank, or depository shall issue a receipt that describes the obligation deposited.
- (c) Using a Government obligation instead of a surety bond for security is the same as using --
  - (1) a personal or corporate surety bond;
  - (2) a certified check;
  - (3) a bank draft;
  - (4) a post office money order; or
  - (5) cash.



- (d) When security is no longer required, a Government obligation given instead of a surety bond shall be returned to the person giving the obligation. If a person, supplying labor or material to a contractor defaulting under the Act of August 24, 1935 (known as the Miller Act) (40 U.S.C. 270a-270d), files with the United States Government the application and affidavit provided under section 3 of Act (40 U.S.C. 270c), the Government --
  - (1) may return to the contractor the Government obligation given as security (or proceeds of the Government obligation given) under the Act of August 24, 1935 (known as the Miller Act) (40 U.S.C. 270a-270d), only after the 90-day period for bringing a civil action under section 2 of the Act (40 U.S.C. 270b); and
  - (2) if a civil action is brought in the 90-day period, shall hold the Government obligation or the proceeds subject to the order of the court having jurisdiction of the action.
- (e) This section does not affect the --
  - (1) priority of a claim of the Government against a Government obligation given under this section;
  - (2) right or remedy of the Government for default on an obligation provided under --
    - (A) the Act of August 24, 1935 (known as the Miller Act) (40 U.S.C. 270a-270d); or
    - (B) this section;
  - (3) authority of a court over a Government obligation given as security in a civil action; and
  - (4) authority of an official of the Government authorized by another law to receive a Government obligation as security.
- (f) To avoid frequent substitution of Government obligations, the Secretary may prescribe regulations limiting the effect of this section to a Government obligation maturing more than one year after the date the obligation is given as security.

(a) Each United States trustee, within the region for which such United States trustee is appointed, shall --

(1) establish, maintain, and supervise a panel of private trustees that are eligible and available to serve as trustees in cases under chapter 7 of title 11;

(2) serve as and perform the duties of a trustee in a case under title 11 when required under title 11 to serve as trustee in such a case;

(3) supervise the administration of cases and trustees in cases under chapter 7, 11, or 13 of title 11 by, whenever the United States trustee considers it to be appropriate -

- (A) monitoring applications for compensation and reimbursement filed under section 330 of title 11 and, whenever the United States trustee deems it to be appropriate, filing with the court comments with respect to any of such applications;
- (B) monitoring plans and disclosure statements filed in cases under chapter 11 of title 11 and filing with the court, in connection with hearings under sections 1125 and 1128 of such title, comments with respect to such plans and disclosure statements;
- (C) monitoring plans filed under chapter 12 and 13 of title 11 and filing with the court, in connection with hearings under sections 1224, 1229, 1324, and 1329 of such title, comments with respect to such plans;
- (D) taking such action as the United States trustee deems to be appropriate to ensure that all reports, schedules, and fees required to be filed under title 11 and this title by the debtor are properly and timely filed;
- (E) monitoring creditors' committees appointed under title 11;
- (F) notifying the appropriate United States attorney of matters which relate to the occurrence of any action which may constitute a crime under the laws of the United States and, on the request of the United States attorney, assisting the United States attorney in carrying out prosecutions based on such action;

- (G) monitoring the progress of cases under title 11 and taking such actions as the United States trustee deems to be appropriate to prevent undue delay in such progress; and
  - (H) monitoring applications filed under section 327 of title 11 and, whenever the United States trustee deems it to be appropriate, filing with the court comments with respect to the approval of such applications;
- (4) deposit or invest under section 345 of title 11 money received as trustee in cases under title 11;
- 5) perform the duties prescribed for the United States trustee under title 11 and this title, and such duties consistent with title 11 and this title as the Attorney General may prescribe; and
- (6) make such reports as the Attorney General directs.
- (b) If the number of cases under chapter 12 or 13 of title 11 commenced in a particular region so warrants, the United States trustee for such region, may, subject to the approval of the Attorney General, appoint one or more individuals to serve as standing trustee, or designate one or more assistant United States trustees to serve in cases under such chapter. The United States trustee for such region shall supervise any such individual appointed as standing trustee in the performance of the duties of standing trustee.
- (c) Each United States trustee shall be under the general supervision of the Attorney General, who shall provide general coordination and assistance to the United States trustees.
- (d) The Attorney General shall prescribe by rule qualifications for membership on panels established by United States trustees under paragraph (a)(1) of this section, and qualifications for appointment under subsection (b) of this section to serve as standing trustee in cases under chapter 12 or 13 of title 11. The Attorney General may not require that an individual be an attorney in order to qualify for appointment under subsection (b) of this section to serve as standing trustee in cases under chapter 12 or 13 of title 11.
- (e) (1) The Attorney General, after consultation with a United States trustee that has appointed an individual under subsection (b) of this section to serve as standing trustee in cases under chapter 12 or 13 of title 11, shall fix --

- (A) a maximum annual compensation for such individual, consisting of
  - (i) an amount not to exceed the highest annual rate of basic pay in effect for level V of the Executive Schedule; and
  - (ii) the cash value of employment benefits comparable to the employment benefits provided by the United States to individuals who are employed by the United States at the same rate of basic pay to perform similar services during the same period of time; and
- (B) a percentage fee not to exceed --
  - (i) in the case of a debtor who is not a family farmer, ten percent; or
  - (ii) in the case of a debtor who is a family farmer, the sum of --
    - (I) not to exceed ten percent of-the payments made under the plan of such debtor, with respect to payments in an aggregate amount not to exceed \$450,000; and
    - (II) three percent of payments made under the plan of such debtor, with respect to payments made after the aggregate amount of payments made under the plan exceeds \$450,000; based on such maximum annual compensation and the actual, necessary expenses incurred by such individual as standing trustee.
- (2) Such individual shall collect such percentage fee from all payments received by such individual under plans in the cases under chapter 12 or 13 of title 11 for which such individual serves as standing trustee. Such individual shall pay to the United States trustee, and the United States trustee shall deposit in the United States Trustee System Fund --
  - (A) any amount by which the actual compensation of such individual exceeds 5 per centum upon all payments received under plans in cases under chapter 12 or 13 of title 11 for which such individual serves as standing trustee; and

- (B) any amount by which the percentage for all such cases exceeds -
- (i) such individual's actual compensation for such cases, as adjusted under subparagraph (A) of paragraph (1); plus
  - (ii) the actual, necessary expenses incurred by such individual as standing trustee in such cases. Subject to the approval of the Attorney General, any or all of the interest earned from the deposit of payments under plans by such individual may be utilized to pay actual, necessary expenses without regard to the percentage limitation contained in subparagraph (d) [sic] (1)(B) of this section.

## **CHAPTER 13 STANDING TRUSTEE ANNUAL REPORT AND INSTRUCTIONS**

### **Schedule I            TRUST FUNDS PER BOOKS BEGINNING OF YEAR**

The amount recorded at:

- I(a) is the combined total of the ending fund balances in the pre-confirmation trust accounts at the end of the prior fiscal year.
- I(b) is the ending fund balance in the interest bearing account for confirmed cases at the end of the prior fiscal year.
- I(c) is the interest reported in prior year but not yet transferred to expense funds. This total, or portions thereof, will also be shown and recorded in other Schedules within the Annual Report as follows: V(e)(ii), VI(c) and XII(d)(ii).

### **Schedule II            TRUST FUNDS RECEIVED DURING YEAR**

The purpose of this Schedule is to determine (a) the total amount of gross payments received from or on behalf of debtors, (b) interest received on trust funds, (c) deposits into the trust account of fees received by the trustee on payments made directly to creditors by debtors (direct payments) and (d) other receipts received during the fiscal year.

**NOTE:** That the 1986 amendment to 28 U.S.C. Section 586(e)(2) provides that the percentage fee applies only to payments received by the standing trustee. The Amendment became effective November 26, 1986, as to plans confirmed on or after that date, in districts that were then United States Trustee districts. The Amendment became effective in other districts upon the expiration of the 30- day period beginning on the date the Attorney General certified the district under Section 303 of the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986. Therefore, fees may not be received on payments directly by debtors to creditors under plans confirmed on or after the date that 28 U.S.C. Section 586(e)(2) (as amended) became effective in the district in which the case was filed. If other receipts into the trust fund include fees on direct payments,

you must attach a schedule itemizing those cases including the case number, case name, date of confirmation, amount of direct payment by debtor, date confirmation of payment was obtained from the creditor and the amount of the fee received.

Item II(a) includes all receipts from or on behalf of debtors, whether before confirmation or after. Pre-confirmation receipts, if applicable, are not to be shown as receipts a second time, upon confirmation.

Schedule III            TRUST FUNDS REFUND DURING YEAR

Refunds in Item III(a) include refunds of monies after plan confirmation, and Item III(c) includes monies refunded on cases with no confirmed plan.

It is important to note that Item III(a)(i) through (iv) includes a breakdown of refund reporting which requires separate recording of these refunds in the trustee's financial records during the year.

Schedule IV            TRUST FUND DISBURSEMENTS ON CASES WITH  
CONFIRMED PLANS

This Schedule requires the recording of data concerning trust disbursements.

Item IV(h)(ii) should include any fees received from debtors on payments made directly to creditors by debtors deposited into the trust account and shown at II(c). The amount recorded in IV(h)(i), percentage fees transferred to expense fund, is reconciled to plan disbursements at Schedule X(f). This reconciliation demonstrates actual disbursement amounts on which percentage fees were transferred. If a difference occurs between percentage fees actually transferred on actual disbursements during the year (IV(h)(i)), and the properly calculated amount at (X(f)(ii)(b)), the difference will be shown and fully explained at X(f)(iii). The sum total of IV(h)(i) and IV(h)(ii) will be carried forward to XII(a).

Schedule V            TRUST FUND SUMMARY PER BOOKS FOR END OF YEAR

This Schedule represents a summary of amount previously reported on Schedules I, II, III and IV

The balance of V(g) is the actual total trust funds per books at the end of the fiscal year. This amount must agree with the final year-end General Ledger total and with the aggregate of all year-end individual debtor ledger totals.

The amount recorded in V(g) will be the same amount shown in Schedule VI(e), VII(d) and VIII(e). If different, an error in posting has occurred and should be identified and reported separately on Schedule VI(d) and VIII(d).

Schedule VI            NATURE OF TRUST FUNDS PER BOOKS END OF YEAR

This Schedule represents the total trust funds per books at the end of the fiscal year, including the breakdown of trust funds in pre-confirmed and confirmed plan cases.

NOTE: The amounts recorded in Schedule VI as prior year ending pre-confirmed and confirmed plan balances will be the same as amounts recorded in Schedule I as current year beginning plan balances.

Schedule VII            LOCATION OF TRUST FUNDS PER BOOKS END OF YEAR

This Schedule provides for the names of the banks in which trust funds are on deposit at the end of the fiscal year. Further, a breakdown of funds deposited in interest bearing and non-interest bearing accounts has been provided. You must also indicate if the depository is U.S. Government insured, or if non-bank instruments, whether they are obligations of the United States.



Schedule VIII      RECONCILIATION BETWEEN TRUST FUNDS PER BOOKS AND PER BANKS END OF THE YEAR

This Schedule represents a reconciliation of total trust funds per books and per bank at end of fiscal year.

Schedule IX      AGING OF TRUST FUND BALANCES PER BOOKS END OF YEAR

This Schedule reports debtor receipts by month as recorded in the financial records and calculates, on a first-in, first-out basis, how many months' receipts remain undistributed at year end. This information is an indication of processing efficiency and identifies disbursement delays which have occurred.

Schedule X      RECONCILIATION BETWEEN ACTUAL TRUST DISBURSEMENTS UNDER PLANS AND PERCENTAGE FEES

This Schedule reconciles to actual plan disbursements rather than to receipts. United States Trustee policy requires that percentage fees be transferred at the time of disbursements.

Schedule XI      EXPENSE FUNDS PER BOOKS BEGINNING OF YEAR

This Schedule shows the separation of non-interest and interest bearing expense accounts at the beginning of the fiscal year.

Schedule XII      EXPENSE FUNDS RECEIVED DURING YEAR

The purpose of this Schedule is to determine (a) the total amount of percentage fees transferred from trust funds, (b) administrative expense allowances transferred from trust funds, (c)(i) fees received directly from debtors on payments under plans not made through the trustee, (d) interest earned on trust funds, (e) interest earned on expense funds and (f) other receipts.

NOTE: That the 1986 amendment to 28 U.S.C. Section 586(e)(2) provides that the percentage fee applies only to payments received by the standing trustee. The Amendment became effective November 26, 1986, as to plans confirmed on or after that date, in districts that were then United States Trustee districts. The Amendment became effective in other districts upon the expiration of the 30- day period beginning on the date the Attorney General certified the district under Section 303 of the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986. Therefore, fees may not be received on payments directly by debtors to creditors under plans confirmed on or after the date that 28 U.S.C. Section 586(e)(2) (as amended) became effective in the district in which the case was filed. If other receipts into the expense account include fees on direct payments, you must attach a schedule itemizing those cases including the case number, case name, date of confirmation, amount of direct payment by debtor, date confirmation of payment was obtained from the creditor and the amount of the fee received.

Examples of the items which can be recorded and included in XII(f) are: (1) returned check charges and (2) receipts for outside services provided, such as automated data processing.

Schedule XIII      ACTUAL AND NECESSARY EXPENSES PAID DURING YEAR

Expenses are shown in the "third party" column if paid to anyone other than the trustee, the trustee's outside business office, or a party related to the trustee. Expenses are shown in the second column if paid or shared in conjunction with the trustee's outside business interest, or paid to the trustee or a party related to the trustee.

Schedule XIV      EXPENSE FUND SUMMARY PER BOOKS FOR YEAR

The amount shown on XIV(j) will also be recorded on XV(d) and XVI(e).

Schedule XV      LOCATION OF EXPENSE FUNDS PER BOOKS END OF YEAR

This Schedule provides for the names of the banks in which expense funds are on deposit at the end of the fiscal year.

Further, a breakdown of funds deposited in interest bearing and non-interest bearing accounts has been provided. You must also indicate if the depository is U.S. Government insured, or if non-bank instruments, whether they are obligations of the United States.

Schedule XVI      RECONCILIATION BETWEEN EXPENSE FUNDS PER BOOKS AND PER BANKS END OF YEAR

This Schedule represents a reconciliation of total expense funds per books and per bank at end of year.

Schedule XVII      FUN DS AVAILABLE FOR COMPENSATION (OPERATING DEFICIT)

Information for this section is derived and developed from other sections of the report as shown on the form. The funds available for compensation or (operating deficit), XVII(f), will also be recorded in Schedule XVIII(c).

Schedule XVIII      COMPENSATION LIMITATION

Self explanatory.

Schedule XIX      SURPLUS EXPENSE FUNDS

Self explanatory.

Schedule XX      SUMMARY OF FUNDS PAYABLE

This Schedule represents excess compensation and/or surplus funds payable.

Schedule XX      UNREIMBURSED OPERATING DEFICITS CARRY FORWARD

Self explanatory.

Schedule XXII      BONDING REQUIREMENT

Self explanatory.

Schedule XXIII    CASES HANDLED

Self explanatory.

STANDING TRUSTEE'S CERTIFICATION TO REPORT AND ACCOUNT

As a last reminder, prior to submitting the Annual Report to the United States Trustee, ensure that your signature and the current date have been affixed on page 13. If a subsequent amended report is filed, as often is done upon completion of audit, the amended report must be signed and dated.

## EXECUTIVE OFFICE FOR UNITED STATES TRUSTEES

Submission Date: \_\_\_\_\_  
 Indicate if:  
 \_\_\_\_\_ Original \_\_\_\_\_ Revised

ANNUAL REPORT AND ACCOUNT OF CHAPTER 13 STANDING TRUSTEE

For the Fiscal Year October 1, 19\_\_, through  
 September 30, 19\_\_

Trustee Name \_\_\_\_\_ Address \_\_\_\_\_  
 District \_\_\_\_\_  
 Phone( ) \_\_\_\_\_

STATEMENT OF 'TRUST' TRANSACTIONS AND BALANCES

	(Current year first)	
	<u>199</u>	<u>199</u>
I. TRUST FUNDS PER BOOKS BEGINNING OF YEAR		
(a) Pre-confirmation (if applicable)	_____	_____
(b) Confirmed cases	_____	_____
(c) Interest reported in prior year, but not yet transferred to expense funds	_____	_____
(d) Other (itemize - add schedule if more space is needed):  _____	_____	_____
(e) Total trust funds per books beginning of year (a + b + c + d)	=====	=====

(Current year first)

199199

## II. TRUST FUNDS RECEIVED DURING YEAR

- |       |  |       |       |
|-------|--|-------|-------|
| (a)   | Gross payment from or on behalf of debtors, including total amount of paychecks received by Trustee [exclude fees received from debtors on direct payments - show and identify separately at II(c) and/or XII(c)]  | _____ | _____ |
| (b)   | Interest received on trust funds (Inc. CDs, U.S. securities, etc.)   | _____ | _____ |
| (c)** | Deposits into trust account for fees received from debtors on direct payments (you must attach a schedule itemizing those cases detailing the case number, case name, confirmation date, amount of direct payment by debtor, date confirmation of payment was obtained from the creditor and amount of fee received) | _____ | _____ |
| (d)   | Other receipts (itemize - attach schedule if more space is needed):<br><br>EXPLAIN: _____<br>_____   | _____ | _____ |
| (e)   | Total trust fund receipts<br>[a + b + c + d]   | ===== | ===== |

## III. TRUST FUNDS RECEIVED DURING YEAR

- |       |   |       |       |
|-------|---|-------|-------|
| (a)   | Refunds after confirmation:                                       |       |       |
| (i)   | On cases closed   | _____ | _____ |
| (ii)  | On cases dismissed  | _____ | _____ |
| (iii) | On conversion of cases (including payments to chapter 7 trustees) | _____ | _____ |

\*\*Fees may not be received on payments made directly by debtors to creditor under plans confirmed on or after the date that 28 U.S.C. Section 586(e) (2) as became effective in the district in which the case was filed. See instructions for details.

		(Current year first)	
		<u>199</u>	<u>199</u>
	(iv) Other (itemize - attach schedule if more space is needed): _____	_____	_____
(b)	Total trust funds refunds on cases after confirmation [i + ii + iii + iv]	_____	_____
(c)	Refunds on cases with no confirmed plan	_____	_____
(d)	Total trust funds [b + c]	=====	=====
IV TRUST FUND DISBURSEMENTS ON CASES WITH CONFIRMED PLANS			
(a)	Secured creditors	_____	_____
(b)	Priority creditors	_____	_____
(c)	Unsecured creditors	_____	_____
(d)	Debtor attorneys	_____	_____
(e)	Clerk's fees	_____	_____
(f)	Other Administrative expenses (excluding 503(b) awards to trustee)	_____	_____
(g)	Subtotal of above payments (total - other than to Trustee) [a + b + c + d + e + f]	_____	_____
(h)	Percentage fees transferred to expense fund		
	(i) Percentage fees on actual disbursements (same as X(f) (iv))	_____	_____
	(ii) Percentage fees received from debtors on direct payments	_____	_____
(i)	Administrative expense allowances transferred to expense fund	_____	_____
(j)	Total disbursements [g + h(i) (ii) + i]	=====	=====

(Current year first)

199199

## V. TRUST FUND SUMMARY PER BOOKS FOR END OF YEAR

(a)	Trust funds per books beginning of year [same as I(e)]	_____	_____
(b)	Trust fund receipts [same as II(e)]	_____	_____
(c)	Trust fund refunds [same as III(d)]	(_____)	(_____)
(d)	Disbursements in cases with confirmed plans [same as IV(j)]	(_____)	(_____)
(e)	Interest and other receipts transferred to expense funds:		
	(i) Received by trust fund in current year [cannot exceed II(b)]	(_____)	(_____)
	(ii) Received by trust fund in prior year(s) [cannot exceed I(c)]	(_____)	(_____)
(f)	Other (itemize - add schedule if more space is needed):		
	EXPLAIN: _____		
	_____	_____	_____
(g)	Total trust funds per books end of year (a + b - c - d - e ± f) [same as VI(e), VII(d), and VIII(e)]	=====	=====

## VI. NATURE OF TRUST FUNDS PER BOOKS END OF YEAR

(a)	Pre-confirmation	_____	_____
(b)	Confirmed Cases	_____	_____
(c)	Interest not yet transferred to expense fund [equals I(c) + II(b) - V(e) (i) (ii)]	_____	_____
(d)	Other (itemize - add schedule if more space is needed):		
	_____	_____	_____
(e)	Total trust funds per books end of year [a + b + c + d] [same as V(g), VII(d), and VIII(e)]	=====	=====



(Current year first)

199199

## VII. LOCATION OF TRUST FUNDS PER BOOKS END OF YEAR

- (a) In trust non-interest bearing checking accounts(s):  
[itemize and indicate if U.S. Government insured]

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

- (b) In trust interest bearing accounts(s):  
[itemize and indicate if U.S. Government insured]

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

- (c) Other instruments (itemize - attach schedule if  
more space is needed): [indicate if  
U.S. Government guaranteed]

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

- (d) Total trust funds per books end of year  
[a + b + c] [same as V(g), VI(e), and VIII(e)]

=====

VIII. RECONCILIATION BETWEEN TRUST FUNDS PER BOOKS AND  
PER BANKS END OF YEAR

- (a) Balance per banks

\_\_\_\_\_

- (b) Deposits in transit

\_\_\_\_\_

- (c) Outstanding checks

(\_\_\_\_\_) (\_\_\_\_\_)

- (d) Other reconciling items (itemize -  
add schedule if more space is needed):

\_\_\_\_\_

\_\_\_\_\_

- (e) Balance per books [a - b + c ± d]  
[same as V(g), VI(e) and VII(d)]

=====

(Current year first)

199199

## IX. AGING OF TRUST FUNDS BALANCES PER BOOK - END OF YEAR

- (a) Debtor receipts by month [same as II(a) - gross payments from or on behalf of debtors]

October	_____	_____
November	_____	_____
December	_____	_____
January	_____	_____
February	_____	_____
March	_____	_____
April	_____	_____
May	_____	_____
June	_____	_____
July	_____	_____
August	_____	_____
September	_____	_____

- (b) Total debtor receipts [total of (a)] [same as II(a)]

=====

- (c) Trust funds per books, end of year [same as V(g)]

=====

- (d) Indicated number of months receipts held per books, end of year [add amounts in (a) from latest month (September) to earliest month (October), until same as (c)]

=====

**X. RECONCILIATION BETWEEN TRUST DISBURSEMENTS UNDER PLANS AND PERCENTAGE FEES**

Percentage fees are to be transferred only at the time of plan disbursements. [Lines (a) through (e) calculate the disbursements under plans to which each year's percentage fees apply. Lines (f)(1) through (f)(iv) reflect application of allowed percentage fee rates to the amount on line (e) to calculate actual percentage fees transferred on disbursement by the trustee. Constructive disbursements upon which a direct fee was received will not be reflected in Schedule X.]

		(Current year first)	
		<u>199</u>	<u>199</u>
(a)	Trust disbursements [same as IV(j)]	_____	_____
(b)	<u>Less</u> item IV(h) (ii) and IV(i) [Percentage fees do <u>not</u> apply to Section 503(b) awards to trustee nor to fees received from debtors on direct payments]	_____	_____
(c)	Applicable trust disbursements [(a) - (b)]	_____	_____
(d)	Other reconciling items (itemize - add schedule if more space is needed):		
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
(e)	Trust disbursements as to which percentage fees were transferred [c ± d]	<u>          </u>	<u>          </u>

(f) Percentage fee calculation:

- (i) Percentage(s) applied during year (percentages are those actually used provide footnote explanation if different than those authorized by Attorney General) and trust disbursement to which percentage fees applied.

<u>DATES FROM</u>	<u>TO</u>	<u>PERCENTAGE</u>	<u>TRUST DISBURSEMENTS</u>	<u>CALCULATED PERCENTAGE FEE</u>
_____	_____	_____ % x	\$ _____ =	\$ _____
_____	_____	_____ % x	\$ _____ =	\$ _____
_____	_____	_____ % x	\$ _____ =	\$ _____

- (ii) Totals from (f)(i) - [Insert at (a) trust disbursements to which percentages applied, and insert at (b) calculated percentage fees]

(a) \$ \_\_\_\_\_ (b) \$ \_\_\_\_\_  
[same as X(e)]

- (iii) Other reconciling items [itemize - add schedule if more space is needed]:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (iv) Actual percentage fees on actual disbursements by trustee transferred [(f)(ii)(b) ± (f)(iii)] [same as IV(h) (i)]

=====

STATEMENT OF "EXPENSE" TRANSACTIONS AND BALANCES

		(Current year first)	
		<u>199</u>	<u>199</u>
XI.	EXPENSE FUNDS PER BOOKS BEGINNING OF YEAR		
(a)	In expense non-interest bearing account(s) if applicable	_____	_____
(b)	In expense interest-bearing account(s)	_____	_____
(c)	Other instruments (itemize - add schedule if more space is needed): _____	_____	_____
(d)	Total expense funds per books beginning of year [a + b + c]	=====	=====
XII.	EXPENSE FUNDS RECEIVED DURING YEAR		
(a)	Percentage fees transferred from trust funds [same as IV(h)(i) and (ii)]	_____	_____
(b)	Administrative expense allowances transferred from trust funds [same as IV(i)]	_____	_____
(c)**	(i) Fees received directly from debtors on payments under plans not made through the trustee and deposited directly into trustee expense account. (NOTE: Where receipts into the <u>expense account</u> include fees received from debtors on direct payments, you must attach a schedule itemizing those cases detailing the case number, case name, confirmation date, amount of direct payment by debtor, date confirmation of payment was obtained from the creditor and amount of fee received.	_____	_____

\*\*Fees may not be received on payments made directly by debtors to creditors under plans confirmed on or after November 26, 1987, in original United States Trustee districts. For other districts, see instructions for details.

(Current year first)

199199

- (ii) Total amount of direct payments by debtor to creditors for which direct fees reported at II(c) and/or XII(c) (i) were received:

\_\_\_\_\_  
 [The entry for the total amount of direct payments from debtors to creditors should be carried forward for the calculation of the 5% compensation limitation at XVIII(b)]

- (d) Interest transferred from trust funds:

- (i) Received by trust fund in current year [same as V(e)(ii)]:

\_\_\_\_\_

- (ii) Received by trust fund in prior year(s) [same as V(e)(ii)]

\_\_\_\_\_

- (e) Interest earned on expense funds

\_\_\_\_\_

- (f) Other receipts (itemize - add schedule if more space is needed):

\_\_\_\_\_

\_\_\_\_\_

- (g) Total expense fund receipts  
 [a + b + c + d + e ± f]

=====

**ACTUAL AND NECESSARY EXPENSES PAID DURING YEAR**  
 (All as defined and approved by U.S. Trustee)

	<u>Third Party</u>	<u>Allocated or Related Party</u>	<u>Current Total</u>	<u>Prior Total</u>
Salaries, excluding Trustee compensation shown at XIV(d)	_____	_____	_____	_____
Employee Payroll taxes:	_____	_____	_____	_____
Employee Employment benefits:	_____	_____	_____	_____
Office rent	_____	_____	_____	_____
Utilities	_____	_____	_____	_____
Outside accounting services	_____	_____	_____	_____

(Schedule XIII continued on following page)

	<u>Third Party</u>	<u>Allocated or Related Party</u>	<u>Current Total</u>	<u>Prior Total</u>
(g) Computer services	_____	_____	_____	_____
(h) Audit services	_____	_____	_____	_____
(i) Legal/consulting services	_____	_____	_____	_____
(j) Telephone	_____	_____	_____	_____
(k) Postage	_____	_____	_____	_____
(l) Office supplies	_____	_____	_____	_____
(m) Bond premiums:	_____	_____	_____	_____
(i) Trustee	_____	_____	_____	_____
(ii) Employees	_____	_____	_____	_____
(n) Clerk fees (not under plans)	_____	_____	_____	_____
(o) Dues to professional organizations	_____	_____	_____	_____
(p) Publications	_____	_____	_____	_____
(q) Insurance, other than employment related	_____	_____	_____	_____
(r) Conferences and seminars	_____	_____	_____	_____
(s) Maintenance and service agreements	_____	_____	_____	_____
(t) Photocopy services or transcripts	_____	_____	_____	_____
(u) Travel:	_____	_____	_____	_____
(i) Transportation	_____	_____	_____	_____
(ii) Lodging	_____	_____	_____	_____
(iii) Meals	_____	_____	_____	_____
(iv) Other (add schedule)	_____	_____	_____	_____
(v) Equipment/furniture rental	_____	_____	_____	_____
(w) Equipment/furniture purchases [excluding purchases from surplus, shown at XIV(f)]	_____	_____	_____	_____
(x) Leasehold improvements [excluding those paid from surplus, show at XIV(f)]	_____	_____	_____	_____
(y) Other expenses paid (specify third party or related party; add schedule if more space is needed):	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
(z) Total actual and necessary expenses paid [add (a) through (y)]	=====	=====	=====	=====

(Current year first)

199199

## XIV. EXPENSE FUND SUMMARY PER BOOKS FOR YEAR

(a)	Expense fund per books beginning of year [same as XI(d)]	_____	_____
(b)	Expense fund receipts [same as XII(g)]	_____	_____
(c)	Expenses paid [same as XIII(z)]	(_____)	(_____)
(d)	Compensation paid to Trustee (inclusive of 20% in benefits)	(_____)	(_____)
(e)	Prior year(s) expense surplus paid to U.S. Trustee for payment to U.S. Treasury	(_____)	(_____)
(f)	Purchases and payments from expense fund surplus [requires approval by U.S. Trustee] (itemize - add schedule if more space is needed):  _____	(_____)	(_____)
	_____	(_____)	(_____)
(g)	Receipt from Standing Trustee personal funds reimbursing current or prior year(s) operating deficit(s), excess compensation, etc. (itemize - add schedule if more space is needed):  _____	_____	_____
(h)	Paid to Standing Trustee to reimburse operating deficit(s) for year(s) in which no compensation was paid	(_____)	(_____)
(i)	Other (itemize - add schedule if more space is needed):  _____	_____	_____
	_____	_____	_____
(j)	Expense funds per books end of year [a + b - c - d - e - f + g - h ± i] [same as XV(d) and XVI(e)]	=====	=====



(Current year first)

199199

## XV. LOCATION OF EXPENSE FUNDS PER BOOKS END OF YEAR

- (a) In expense non-interest bearing account(s):  
[itemize and indicate if U.S. Government insured]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- (b) In expense interest bearing account(s):  
[itemize and indicate if U.S. Government insured]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- (c) In other instruments (itemize - add schedule if  
more space is needed) [specify the rate of interest,  
and indicate if U.S. Government insured]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- (d) Total expense funds per books end of year  
[a + b + c] [same as XIV(j) and XVI(e)]

=====

=====

## XVI. RECONCILIATION BETWEEN EXPENSE FUNDS PER BOOKS AND PER BANKS END OF YEAR

- (a) Balance per banks

\_\_\_\_\_

\_\_\_\_\_

- (b) Deposits in transit

\_\_\_\_\_

\_\_\_\_\_

- (c) Outstanding checks

\_\_\_\_\_

\_\_\_\_\_

- (d) Other reconciling items (itemize - add  
schedule if more space is needed):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- (e) Balance per books [a+ b - c ± d]  
[same as XIV(j) and XV(d)]

=====

=====

		(Current year first)	
		<u>199</u>	<u>199</u>
XVII.	FUNDS AVAILABLE FOR COMPENSATION (OPERATING DEFICIT)		
(a)	Expense fund receipts [same as XII(g)]	_____	_____
(b)	Add <u>current year</u> interest remaining in trust funds at end of year; and <u>not</u> included in XVII(a) above [II(b) - V(e) (i)]	_____	_____
(c)	Less <u>prior year(s)</u> interest transferred from trust to expense funds during year, and included in XVII(a) above [same as V(e) (ii) and XII(d) (ii)]	_____	_____
(d)	Less expenses paid [same as XIII(z)]	_____	_____
(e)	Other (itemize - add schedule if more space is needed):		
	_____	_____	_____
	_____	_____	_____
(g)	Funds available for compensation (inclusive of 20% in benefits) or (operating deficit) [a + b - c - d ± e]	=====	=====

(Current year first)

199199

## XVIII. COMPENSATION LIMITATION

Maximum compensation pursuant to 28 U.S.C.  
§586 (e)(1)(a), as shown below:

(a)	5% of net receipts under confirmed plans [II(a)] - [III(d)] x 5%	<u>                    </u>	<u>                    </u>
(b)	5% of constructive receipts under plans [XII(c) (ii)] x 5%	<u>                    </u>	<u>                    </u>
(c)	Funds available for compensation (inclusive of 20% in benefits) [same as XVII(f), but not less than zero]	<u>                    </u>	<u>                    </u>
(d)	Maximum compensation fixed by Attorney General	<u>                    </u>	<u>                    </u>
(e)	Compensation paid trustee [same as XIV(d)]	<u>                    </u>	<u>                    </u>
(f)	Allowable compensation [lesser of (a) + (b), (c) or (d)]	<u>(            )</u>	<u>(            )</u>
(g)	Excess compensation paid [(e) - (f), but not less than zero]	<u>                    </u>	<u>                    </u>
(h)	Excess payable from Trustee personal funds to:		
(i)	U.S. Trustee, pursuant to 28 U.S.C. § 586 (e)(2) -[(e) - [(a) + (b)]], not less than zero]	<u>                    </u>	<u>                    </u>
(ii)	Trusteeship expense funds [(e) - lower of (c), or (d), but not less than zero]	<u>                    </u>	<u>                    </u>

**Note:** If (e) is greater than (a) + (b), the trustee shall in accordance with 28 U.S.C. § 586(e)(2), pay from personal funds such excess amount to the United States Trustee for payment to the United States Treasury. If (e) is greater than (c), or (d) the trustee shall, from personal funds, pay such excess amount back into the expense fund.

		(Current year first)	
		<u>199</u>	<u>199</u>
XIX.	SURPLUS EXPENSE FUNDS		
(a)	Express funds per books end of year [same as XIV(j)]	_____	_____
(b)	Less 25% of actual and necessary expenses, authorized to be retained [25% of XIII(z)]	(_____)	(_____)
(c)	Other (add schedule if more space is needed):  _____	_____	_____
(d)	Surplus expense funds [a - b ± c, but not less than zero]	=====	=====
XX.	PAYABLE TO U.S. TRUSTEE AND/OR REIMBURSEMENT TO EXPENSE FUNDS		
(a)	Excess compensation to be paid:		
(i)	From standing trustee to the U.S. Trustee, pursuant to 28 U.S.C. § 586 (e)(2) [same as XVIII(h)(i)]	_____	_____
(ii)	From standing trustee to reimburse expense funds of trusteeship [same as XVIII(h)(ii)]	_____	_____
(b)	Surplus expense funds [same as XIX(d)]	_____	_____
(c)	Portion of surplus expense funds [item XX(b)] allowed to be retained by trustee (by direction of EOUST)	(_____)	(_____)
(d)	Surplus payable to U.S. Trustee	_____	_____

(Current year first)

199199

## XXI. UNREIMBURSED OPERATING DEFICITS CARRYFORWARD

(a)	Accumulated unreimbursed operating deficit carryforward at beginning of year, approved by U.S. Trustee (by year generated) [equal to any year's "operating deficit" calculated as shown in Schedule XVII]:		
	199__	_____	_____
	199__	_____	_____
	199__	_____	_____
(b)	Total beginning of year carryforward [sum of (a)]	_____	_____
(c)	Reimbursed to Trustee during year [same as XIV(h)]	_____	_____
(d)	Operating deficit generated during year [same as XVII(f), if any]	_____	_____
(e)	Carryforward disallowed by U.S. Trustee during year (explain on footnote page)	(_____)	(_____)
(f)	Accumulated unreimbursed operating deficits, end of year [b - c + d - e]	=====	=====

**Note:** If no compensation was received, and there is a deficit, that deficit may be carried forward. To the extent any compensation was improperly paid and a deficit generated in the same fiscal year, the allowable deficit must be reduced by the compensation paid and the compensation returned to the expense funds.

(Current year first)

199199

## XXII. BONDING REQUIREMENT

- |     |  |       |       |
|-----|--|-------|-------|
| (a) | Average monthly bank balance for the prior three months (balance per-banks, excluding investments subject to the United States Trustee's counter-signature for withdrawal, not per books for all trust and expense accounts) | ===== | ===== |
| (b) | Bond amount as of year end   | _____ | _____ |
| (c) | Required trustee bond: Enter 150% of (a)   | _____ | _____ |
| (d) | Bond over (under) required amount [b - c]  | ===== | ===== |
| (e) | Are employees who have access to receipts or disbursements of cash or negotiable instruments, or to the financial records of the office bonded?<br>_____ YES _____ NO  |       |       |

Are they covered under the standing trustee bond or by a separate employees fidelity or honesty bond? (Indicate which type of bond and the amount]

TYPE \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

## XXIII. CASES HANDLED

- |     |   |       |       |
|-----|---|-------|-------|
| (a) | Cases active, start of period   | _____ | _____ |
| (b) | New cases filed during fiscal year(+)   | _____ | _____ |
| (c) | Adjustments during fiscal year:   |       |       |
|     | i) Cases transferred in (+)   | _____ | _____ |
|     | ii) Cases converted from another chapter (+)                                  | _____ | _____ |
|     | iii) Cases transferred out (-)  | _____ | _____ |
|     | iv) Conversions to another chapter (+)  | _____ | _____ |
|     | v) Dismissals (-)   | _____ | _____ |
|     | Total adjustment (+) or (-)   | _____ | _____ |
| (d) | Cases closed by the Court on completion of the plan or hardship discharge (-) | ===== | ===== |
| (e) | Cases active, end of period (a+b±c-d)   | ===== | ===== |

**Note:** The entry for "Cases active, end of period" should be carried forward as the number of "Cases active, start of period" in the next fiscal year.

STANDING TRUSTEES CERTIFICATION TO REPORT AND ACCOUNT

I hereby certify under penalty of perjury that the information contained herein is true and correct, and request that this report and account be examined and approved by the United States Trustee and the Attorney General of the United States or his delegate.

\_\_\_\_\_  
CHAPTER 13 STANDING TRUSTEES SIGNATURE

DATED:\_\_\_\_\_

REVIEWED BY:

\_\_\_\_\_  
UNITED STATES TRUSTEE OFFICE

REVIEWED BY:

\_\_\_\_\_  
UNITED STATES TRUSTEE

# CHAPTER 13 PERIODIC COMPENSATION & EXPENSE REPORT

TRUSTEE \_\_\_\_\_

MONTH ENDING \_\_\_\_\_

	DESCRIPTION	CURRENT MONTH	YEAR TO DATE TOTAL	FISCAL YEAR BUDGET	ACTUAL YTD UNDER (OVER) BUDGET
I.	RECEIPTS				
	From Trust Funds:				
	Percentage Fees	_____	_____	_____	_____
	503(b) Awards	_____	_____	_____	_____
	Interest	_____	_____	_____	_____
	Other Receipts (list):				
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
	TOTAL RECEIPTS	_____	_____	_____	_____
II.	EXPENSES				
	Employee Expenses	_____	_____	_____	_____
	Office Rent	_____	_____	_____	_____



DESCRIPTION	CURRENT MONTH	YEAR TO DATE TOTAL	FISCAL YEAR BUDGET	ACTUAL YTD UNDER (OVER) BUDGET
Utilities (if not included in rent)	_____	_____	_____	_____
Bookkeeping and Accounting Services	_____	_____	_____	_____
Computer Services	_____	_____	_____	_____
Audit Services	_____	_____	_____	_____
Consulting Services	_____	_____	_____	_____
Telephone	_____	_____	_____	_____
Postage	_____	_____	_____	_____
Office Supplies	_____	_____	_____	_____
Bond Premiums	_____	_____	_____	_____
Clerk Fees (not under plans)	_____	_____	_____	_____
Dues to Professional Organizations	_____	_____	_____	_____
Publications	_____	_____	_____	_____
Insurance, other than Employment Related	_____	_____	_____	_____

DESCRIPTION	CURRENT MONTH	YEAR TO DATE TOTAL	FISCAL YEAR BUDGET	ACTUAL YTD UNDER (OVER) BUDGET
Conferences and Seminars	_____	_____	_____	_____
Maintenance and Service Agreements	_____	_____	_____	_____
Photocopy Services or Transcripts	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Equipment/Furniture Rental	_____	_____	_____	_____
Equipment/Furniture Purchases [excluding purchases from surplus, shown at VI]	_____	_____	_____	_____
Leasehold Improvements [excluding purchases from surplus, shown at VI]	_____	_____	_____	_____
Total Other Expenses (list):				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
TOTAL EXPENSES	_____	_____	_____	_____

DESCRIPTION	CURRENT MONTH	YEAR TO DATE TOTAL	FISCAL YEAR BUDGET	ACTUAL YTD UNDER (OVER) BUDGET
III. TRUSTEE COMPENSATION PAID	_____	_____	_____	_____
IV. RECEIPTS OVER (UNDER) EXPENSES AND COMPENSATION PAID [I - II - III]	_____	_____	_____	_____
V. EXPENSE FUND BALANCE BEGINNING OF PERIOD	_____	_____	_____	_____
VI. APPROVED EXPENDITURES FROM SURPLUS	_____	_____	_____	_____
VII. EXPENSE FUND BALANCE [V - VI ± IV]	_____*	_____	_____	_____

\*Note: Must agree to attached copies of reconciled bank statements.

I declare under penalty of perjury that this report is true and correct to the best of my knowledge and belief. This \_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

\_\_\_\_\_/\_\_\_\_\_  
Signature Title

CHAPTER 13 PERIODIC TRUST FUND REPORT  
(PRE AND POST CONFIRMATION ACCOUNTS)

TRUSTEE\_\_\_\_\_

MONTH ENDING\_\_\_\_\_

DESCRIPTION		MONTH ENDING (_____)	YEAR TO DATE <u>TOTALS</u>
I.	BALANCE AT BEGINNING OF PERIOD	_____	_____
II.	GROSS PAYMENTS FROM DEBTORS:		
	(a) With Confirmed Plans	_____	_____
	(b) With No Confirmed Plan	_____	_____
III.	INTEREST RECEIVED FROM TRUST FUNDS	_____	_____
IV.	OTHER RECEIPTS (Itemize):		
	_____		
	_____		
V.	TOTAL FUNDS AVAILABLE FOR DISBURSEMENT [I + II(a) + II(b) + III + IV]	_____	_____
VI.	DISBURSEMENTS:		
	(a) Refunds to Debtor(s) After Confirmation	_____	_____
	(b) Refunds on Cases with no Confirmed Plan	_____	_____
	(c) Secured Creditors	_____	_____
	(d) Priority Creditors	_____	_____
	(e) Unsecured Creditors	_____	_____
	(f) Debtors' Attorneys	_____	_____
	(g) Clerk's Fees	_____	_____
	(h) Other Administrative Expenses (excluding 503(b) awards to trustee	_____	_____

(i) Percentage Fees Transferred to Expense Fund	_____	_____
(j) Administrative Expense Allowances Transferred to Expense Fund	_____	_____
(k) Interest Transferred to Expense Fund	_____	_____
(l) Other (attach explanation)	_____	_____
(m) Total Disbursements [sum of VI(a) through VI(1)]	_____	_____
VII. BALANCE IN TRUST ACCOUNTS [V - VI(m)]	_____*	_____

\*NOTE: Must agree to attached copies of reconciled bank statements.

#### VIII. BONDING REQUIREMENT

(a) Average monthly bank balance for the prior three months (balances per banks, not per books for all trust and expense accounts)	_____	_____
(b) Bond Amount	_____	_____
(c) Required Bond [150% of VIII (a)]	_____	_____
(d) Bond over (under) required amount [VIII(b) - VIII(c)]	_____	_____

#### IX. CASES HANDLED

(a) Cases active, start of period	_____	_____
(b) New cases filed during fiscal year(+)	_____	_____
(c) Adjustments during fiscal year.		
i) Cases transferred in(+)	_____	_____
ii) Cases converted from another chapter(+)	_____	_____
iii) Cases transferred out(-)	_____	_____
iv) Conversions to another chapter(-)	_____	_____
v) Dismissals(-)	_____	_____
Total Adjustments (+) or (-)	_____	_____
(d) Cases closed by the Court on completion of the plan or hardship discharge(-)	_____	_____
(e) Cases active, end of period (a+b±c-d)	_____	_____

I declare under penalty of perjury that this report is true and correct to the best of my knowledge and belief. This \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

FROM: NAME OF STANDING TRUSTEE  
STREET  
ADDRESS

DATE:

TO: MR. AND MRS. DEBTOR  
STREET  
ADDRESS

BKNO: 389-00399

In response to your recent inquiry about your case, our records indicate the following:

You have paid the Trustee a total of \$6,980.42

Your case is expected to close February 8, 1994

Over the past twelve months, we have received the following payments:

[06/30/89 -> 200.00]	[07/17/89 -> 200.00]	[07/28/89 -> 200.00]
[08/11/89 -> 200.00]	[08/28/89 -> 200.00]	[09/14/89 -> 200.00]
[09/28/89 -> 200.00]	[10/16/89 -> 200.00]	[10/27/89 -> 200.00]
[11/13/89 -> 200.00]	[12/04/89 -> 200.00]	[12/15/89 -> 200.00]
[12/29/89 -> 200.00]	[01/11/90 -> 200.00]	[01/26/90 -> 200.00]
[02/14/90 -> 200.00]	[03/01/90 -> 200.00]	[03/14/90 -> 200.00]
[03/28/90 -> 200.00]	[04/12/90 -> 200.00]	[04/26/90 -> 200.00]
[05/14/90 -> 200.00]	[05/29/90 -> 200.00]	[06/14/90 -> 200.00]

Your balances are as follows:

Creditor Name	Claim Amt	Prin Paid	Int Paid	Bal Owed
Filing Fee	90.00	90.00	0.00	0.00
Attorney's Fee	750.00	720.72	0.00	29.28
Oil Company	1,415.69	0.00	0.00	283.14
B F Furniture	Not Filed	0.00	0.00	0.00
Knott Company	Not Filed	0.00	0.00	0.00
City Stero/MWave	Not Filed	0.00	0.00	0.00
Dr. Smith	88.50	0.00	0.00	17.70
E.L. Jones	82.50	0.00	0.00	16.50
First Bank	Not Filed	0.00	0.00	0.00
Furniture Center	500.00	375.44	75.25	124.56
Furniture Center	195.34	0.00	0.00	39.07
Electric Service	438.65	0.00	0.00	87.73
Employees CR Union	979.02	0.00	0.00	195.80
Meadows Apartments	731.75	0.00	0.00	146.35
South Central Bell	117.30	0.00	0.00	23.46

SO Bank	9,647.98	3,753.59	1,489.40	5,894.39
TENN Medical CE	68.05	0.00	0.00	13.61
TENN Medical CE	96.70	0.00	0.00	19.34
TENN Medical CE	103.50	0.00	0.00	20.70
Nat'l Bank-Loan Rec	3,450.06	0.00	0.00	690.01
National Bank	367.39	0.00	0.00	73.48
10% to be paid to Trustee				844.26

If the plan was to be paid off this month, the amount needed would be \$8,314.38.  
The balances due above are calculated on a dividend of 20% to unsecured creditors.

Your plan obligates you to pay a minimum amount called a base. This base amount is established at \$24,000.00. You have paid a total of \$6,980.42. Thus, the balance on your 'BASE' is \$17,019.58. Your plan obligates you to pay the greater of this balance or the approximate balance indicated above.

You must keep in mind that the balance is approximate. Interest, late claims, or other variables may affect the total amount you must pay. If you have questions discuss the matter with your attorney: (name)

Please retain this letter and subtract future payments in order to know what your approximate balance is. These letters will only be given out every six (6) months upon request.

Sincerely,

Chapter 13 Trustee's Office